

EUROPEAN NEWS



Giscard outspoken on nuclear protection

By Our Paris Correspondent

FORMER PRESIDENT Valéry Giscard d'Estaing yesterday produced his personal political manifesto in the shape of a book called Two Frenchmen Outcry...

Qualified optimism on CAP reform accord at Brussels summit

By IVO DAWNAY IN BRUSSELS

HOPES that EEC farm ministers may be approaching agreement on comprehensive Common Agricultural Policy (CAP) reforms and farm price rises have risen markedly.

Although several key issues will have to be settled by the heads-of-government summit in Brussels on March 19-20, there was a new mood of qualified optimism at the end of the two-day meeting of farm ministers which ended Tuesday.

Similarly, Mr Michael Jopling, the British Agriculture Minister, considered it not impossible that a prices package could be broadly agreed within the next two weeks.

Kohl cautiously hopeful over EEC compromises

By RUPERT CORNWELL IN BONN

A COMPROMISE agreement at this month's crucial EEC summit meeting in Brussels could be achieved, according to Herr Helmut Kohl, the West German Chancellor.

IMF says Greece's debt doubled over four years

By ANDRIANA KERODIAKONO IN ATHENS

A DISAPPOINTING balance of payments performance, reflecting large current account deficits and a decrease in private capital inflows, has led to a doubling of Greece's external debt over the past four years.

The report draws particular attention to the widening gap between government revenues and expenditure since 1981, and especially to the deteriorating financial situation of public sector organisations.

Celtic Sea oil blocks up for allocation

By Brendan Keenan in Dublin

THE IRISH government has opened all the available remaining acreage in the Celtic Sea off the south coast for oil exploration.

Mr Spring said he was "quietly confident" that last year's discovery, which had a flow-rate of 10,000 barrels a day, would be commercial.

He said the extent to which companies were willing to enter into firm geophysical and drilling commitments would be taken into account.

Danish natural gas contract terms disputed

By Hilary Barnes in Copenhagen

THE DANISH shipping and oil company A. P. Moller yesterday rejected a suggestion that it renegotiate a \$1.34bn contract to supply North Sea natural gas to the state-owned oil and gas distribution company, Dansk Olie og Naturgas.

APM is the operator in the Danish sector of the North Sea for the Danish Underground Consortium (DUC), which besides APM consists of Shell, Esso and Standard Oil.

The company has already contracted to export a total of 270m cu metres to Germany and Sweden from 1986.

W. German unions set for action

BY JOHN DAVIES IN FRANKFURT

THE CAMPAIGN for a shorter working week in the West German metal industries has entered a new and volatile stage with the end of Tuesday's compulsory "period of peace" on the labour market.

Union officials believe that employers have been deliberately taking a hard line to test the resolve of union members.

Italian party secretary re-elected

BY JAMES BUXTON IN ROME

SIG CIRRACO DE MITA, leader of the long-ruling Christian Democrat Party, yesterday won a second two-year term of office after 24 hours of convulsive horse-trading at the end of the party's congress.

Bank of Italy warning over deficit

BY CARMELO CORRADI IN ROME

THE BANK of Italy expects the Italian economy to attain the 2 per cent growth this year which the Government is predicting.

For 1984, the central bank expects Italian exports to benefit from a 5 per cent rise in world demand.

Brenner blockade lifted

By Our Rome Correspondent

LORRIES began to move through the Brenner Pass yesterday for the first time in more than a week.

German and Austrian haulage contractors have accepted assurances from their Governments that they would take up the issue of border procedures with the Italian Government if necessary.

Fears of violence after gang leader's arrest

BY ALAN FRIEDMAN IN REGGIO CALABRIA

POLICE officials in Italy's southern region of Calabria said yesterday they feared an escalation of violence following the arrest of "Don Peppino" Piromalli, the 63-year-old reputed leader of the 'Ndrangheta, the Calabria mafia.

This is seen by the authorities as the possible start of a vendetta. More arrests are expected to follow shortly, based on information supplied by a Calabrian "supergrass."

Dutch may cut cruise deployment

BY WALTER ELLIS IN AMSTERDAM

THE POSSIBILITY that the Netherlands might deploy fewer cruise missiles than was agreed within Nato in 1979 is understood to have been discussed yesterday in Washington by Mr Hans van den Broek, the Dutch Foreign Minister, and Mr George Shultz, the U.S. Secretary of State.

Soviet marine zone decreed

MOSCOW - The Soviet Union has established a 200 nautical mile economic zone around its coastline, the official Soviet news agency Tass reported yesterday.

Within the zone, which comes into effect today, the Soviet Union would have exclusive rights over prospecting, developing and preserving all natural resources, Tass said.

Paris plans to announce aid plans for the troubled shipbuilding industry today. David Housego reports from La Seyne

Learning curve incurs penalty for French shipbuilder

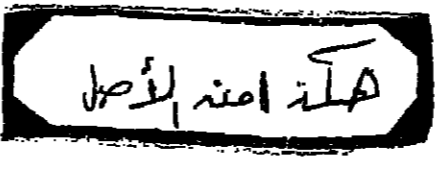
THE PROUD boast of Mr Julien Roche, director of labour relations at La Seyne, is that his shipyard has diversified more than any other in France.

Under the original contract signed in December 1980, the ship was to have been built in 27 months. Last year Stimar accepted a fresh delivery date of February this year.

That nonetheless he is maintaining the suit. The strike was finally abandoned after the management announced a protocol agreement with Comex, the oil exploration group, for a large offshore support vessel.

workforce below its current level of 3,800. But M Dimeo seems less confident that he can mobilise his rank and file for much more militant action.

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OVERSEAS NEWS

Ideological confusion continues in Tehran over running economy

THE LATEST Iranian offensive in the Gulf war, and its heavy cost to the nation in human and financial terms, tends to overcloud a more fundamental debate taking place in Tehran.

Five years after the overthrow of the Shah and the establishment of an Islamic Republic, the country's leadership has still to make up its mind about which ideology should govern the running of the economy. Like everything else in Iran, the economy is a religious matter. One faction within the country, represented largely by members of the clerical hierarchy, believes that what Iran experienced in 1979 was not only a return to Islamic ideas but also a revolution.

forced to resign. Ostensibly, he was blamed for the soaring prices in the free market—rice in particular. Since then, the round of arrests of "profiteers" and "hoarders" has continued.

In Iran, profit is legally limited to 15 per cent. There were even suggestions that the merchants pay contributions direct to the Government, rather than to the clergy. In Iran, many wealthy merchants pay one-fifth of their profits to a senior clericman of their own choosing. Such suggestions are unlikely to meet with the mullahs' approval, but it was symptomatic of the continuing dispute between the Government and the bazaar.

Protest at Macao dissolution

By Diana Smith in Lisbon PORTUGAL'S ruling Socialists and other major parties have protested strongly against the abrupt dissolution of the 17-member Legislative Assembly of Macao, the tiny Chinese territory under Portuguese administration.

Until then, ordinary interest-bearing accounts will continue to exist alongside Islamic accounts. A number of banks were reported to have suffered heavy withdrawals until the announcement came of the delay in implementation. However, even Iranian bankers believe that the Islamisation of the banking system could lead to heavy losses, and that support will be necessary from the central bank.

Hong Kong plans £87m bond issue

THE Hong Kong Government plans a HK\$1bn (£87.7m) bond issue and higher direct taxation in 1984-85 to combat a third successive budget deficit, Sir John Brembridge, Financial Secretary, said in his Budget speech yesterday. He added that a further deficit is likely in 1985-86.



Sir John Brembridge

As at April 1, Hong Kong's corporate profit tax will rise two percentage points to 18 1/2 per cent. Standard rate tax on salaries will rise a similar amount to 17 per cent. Hong Kong has no comprehensive income tax. Sir John also outlined yesterday legislation to close tax loopholes which were created in October 1983 by the abolition of interest tax on Hong Kong dollar deposits.

HK\$ 4.2bn — including a HK\$ 1.98bn instalment payment due from the Hong Kong Land Company. The figure represents under 12 per cent of total budget revenues for the financial year. Sir Geoffrey Howe, Britain's Foreign Secretary, will soon make a "significant and important" visit to Hong Kong, Mr Richard Luce, the British Foreign Office Minister responsible for the Territory, said on Tuesday. Officials say that a date for the trip has not been fixed, but it is believed in Hong Kong that Sir Geoffrey may come in April and that there could be an announcement of decisive progress in the Sino-British negotiations about the Colony's future.

Jump in assets at Bahrain OBUs

BY MARY FRINGS IN BAHRAIN AN UNEXPECTEDLY high year-end asset figure for the 35 offshore banking units (OBUs) reporting to the Bahrain Monetary Agency has drawn the comment from Sheikh Ibrahim K. al-Khalifa, the deputy governor, that "the agency is aware of some built-in window dressing".

December's aggregate assets figure of US\$62.7bn represents an increase of \$3.4bn, or 5.7 per cent, over the November total of \$59.3bn. For much of the year the figures have fluctuated between \$55.5bn and \$57.6bn but have shown a consistent upward trend since August.

offshore sectors and other countries accounted respectively for \$4.7bn and \$4.1bn of deposits, and for \$6bn and \$11.8bn of loans. Many bankers see the decline in the regional currencies' share of the market as an accelerating trend, in view of the Saudi Arabian Monetary Agency's declared policy of restricting the availability of offshore riyals. In December, the regional currency element fell from 25 per cent to 23.9 per cent of total liabilities, and from 18.8 per cent to 17.2 per cent of total assets.

Japan cuts current account deficit

BY JUREK MARTIN IN TOKYO JAPAN registered its usual January balance of payments deficit again this year, but it was only one third as large as a year ago, the Ministry of Finance reported yesterday.

month last year it reached \$1.53bn. In December the surplus had soared to \$3.32bn. The merchandise trade account, however, managed to achieve a surplus this January of \$290m, compared with a deficit of \$634m in the same month a year ago and a \$3.68bn surplus in December.

Ershad lifts ban on political activity

President Ershad of Bangladesh said yesterday he would restore free political activity from March 26, as a step towards returning Bangladesh to democracy, Reuters reports. Gen Ershad also said elections for the Presidency and parliament would be held together on May 27.

The broadcast came on the eve of a national strike called by opposition parties as part of their campaign to stop controversial local polling set for March 24.

India set for big tax and excise duty cuts

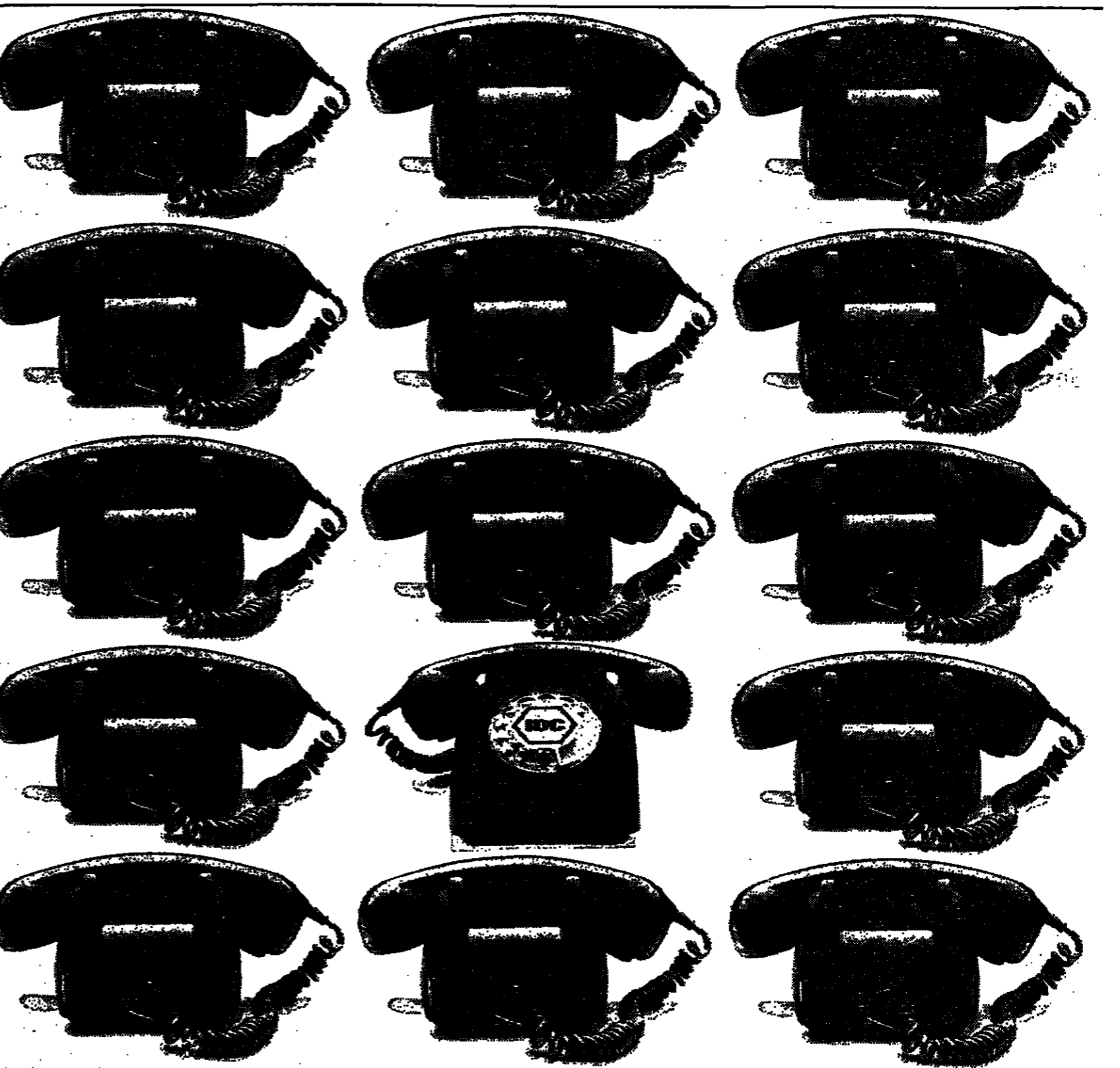
SUBSTANTIAL cuts in income tax and excise duty, coupled with major increases in expenditure on rural and energy developments were the key measures introduced in India's annual budget yesterday.

With an eye on the General Election that must be held within 10 months, Mr Pranab Mukherjee, the Congress (I) Government's Finance Minister, designed tax changes that will give considerable help to the country's poor, will help the middle classes' take-home pay, and provide some of the stimulus that industry urgently needs

to boost its growth rate above its current low figure of 4.5 per cent. But Mr Mukherjee is allowing the country's budgetary deficit to rise in 1984-85 to \$1.76bn (\$1.2bn) on expenditure totalling \$92.5bn.

Excise duty is being cut by up to 50 per cent on goods such as textiles, paper, state purchasing of electricity, and is being abolished on recorder cassettes (to help curb cassette piracy) and on Khandasari sugar which is widely used by the poor. Income tax is being cut at all levels and some wealth tax provisions eased. Duty paid by the country's two nationalised oil companies is being raised by \$10 a metric tonne. AMP adds from New Delhi: A bomb exploded in a crowded Hindu temple yesterday, killing 30 to 50 others in the Sikh holy city of Amritsar in the troubled Punjab State, the United News of India reported.

NOTICE OF REDEMPTION To the Holders of CITY OF BERGEN 8% Debentures due 1987 NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot through operation of the Sinking Fund for redemption on April 1, 1984, the principal amount thereof with accrued interest to the date fixed for redemption of \$782,000 principal amount of said Debentures, each in the denomination of U.S. \$1,000 as follows: Outstanding Debentures bearing serial numbers with the prefix letter "M" and ending in any of the following digits: 01 08 10 25 26 27 28 48 57 66 74 75 82 83 84 85 87 97 Also Debentures bearing the following serial numbers with the prefix letter "N": 1 705 903 2003 2303 2403 2503 2603 2703 2803 2903 3003 3103 3203 3303 3403 3503 3603 3703 3803 3903 4003 4103 4203 4303 4403 4503 4603 4703 On April 1, 1984, the Debentures designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts and will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Zurich or the main office of Bank Nees & Hops NV in Amsterdam, Credito Romagnolo S.p.A. in Milan or Kreditbank S.A. Luxembourg or any of its branches in Luxembourg. Payments at the Offices referred to in (b) above will be made by a check drawn on, or by a transfer, to a United States dollar account maintained with a bank in New York City. Coupons due April 1, 1984, should be detached and collected in the usual manner. From and after April 1, 1984, interest shall cease to accrue on the Debentures herein designated for redemption. Following the aforesaid redemption, \$3,000,000 principal amount of the Debentures will remain outstanding. CITY OF BERGEN By: MORGAN GUARANTY TRUST COMPANY of New York, Fiscal Agent March 1, 1984. NOTICE The following Debentures previously called for redemption have not as yet been presented for payment: 24712 844 2556 2855 4455 5012 10212



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AMERICAN NEWS

The New Hampshire primary result has delivered a crushing blow to Mondale's election strategy, reports Stewart Fleming in Washington

'Hot favourite' falls victim to Hart challenge

SENATOR GARY HART stood before crowds of cheering supporters after his stunning victory in New Hampshire's presidential primary on Tuesday night and declared that the people of New Hampshire could have demonstrated the power "to change the course of American history."

The next few months will tell whether such a claim was warranted in the wake of the crushing defeat which Mr Hart dealt Mr Walter Mondale, the former vice-president. But there is no question that Mr Hart's victory represents a crippling blow to the strategy Mr Mondale has been following in his push for the presidency — a strategy which according to the views of many pundits before Tuesday, had made the Mondale election machine invulnerable in the race for the Democratic presidential nomination. Until 8.30 pm on Tuesday when he conceded defeat, the polls placed Mr Mondale as the hottest favourite ever apart from incumbent presidents such as Lyndon Johnson in 1964, for his party's presidential nomination.

"It's a different ball game from now on," Senator John Glenn the third placed finisher declared following the news of Mr Hart's victory. "That inevitability (about Mondale) has evaporated."

That is not all that has changed. The character of this year's presidential election may also have been transformed with unpredictable results for



Crushing defeat . . . Walter Mondale and his wife Joan.

President Reagan. While many political analysts are maintaining that one upset victory does not make Mr Hart the new front runner, and that Mr Mondale must still command the pole position, America's voters can now look forward

"dark horse." That means President Reagan may not be able to command the news headlines with the effortless ease which seemed assured if Mr Mondale had cruised to victory.

Mr Reagan's strategists may hope that the intersecting fight which will erupt among the Democrats will undermine the carefully orchestrated unity which Mr Mondale has attempted to build. The danger for the President, however, is that the candidate who finally emerges from the contest will be perceived by the voters as a tougher and more convincing challenger, a man who has been tempered and tested by the arduous political processes through which a candidate emerges. If that man were to be Senator Hart, if he shows the capacity on the campaign trail to grow into the role he is striving for, Mr Reagan's strategists could well fear that the challenge of a "new generation" of leadership Mr Hart is offering, could prove to be a potent theme for the ageing President to deal with.

All this is a long way off, and Mr Hart and Mr Mondale, and Senator Glenn, who clearly feels that Mr Hart's victory has breathed new life into his campaign, have a hard road to travel over the next few weeks.



Stunning victory . . . Senator Gary Hart celebrates with his wife Lee (left) and daughter Andrea.

Mr Hart's victory is no fluke. He had a powerful organisation in New Hampshire and a deep experience of the state. In 1972, he was campaign manager for Senator George McGovern, and masterminded the crippling blow Mr McGovern dealt that year to the hopes of Governor Edmund Muskie. A worrying fact for Mr Mondale

is that Mr Hart drew on broadly-based support from conservative and liberal Democrats, from the ranks of the blue collar union workers who are Mr Mondale's natural constituency, and particularly from younger and better educated workers. But New Hampshire is perhaps the only key state in which Mr Hart had an electoral

Party such as organised labour which backs Mr Mondale. The question today is whether in the next few weeks these disadvantages can be overcome, whether the money will come in and whether in the media-dominated campaigns in the Midwest and South Mr Hart can make an effective appeal, in spite of the fragility of his organisation.

In this context the "front loading" of the primary season this year, is perceived to be a particular challenge. On March 13, 11 primary and caucus elections will take place, some in key states such as Florida, Georgia and Alabama. Mr Mondale has his formidable organisation already in place to fight a national campaign. Mr Hart's advisers are saying they are going to have to pick and choose where they fight, chipping away at Mr Mondale's credibility, a policy which if successful could even leave the final decision to the Democratic nominating convention in July.

Mr Patrick Caddell, former President Carter's political pollster, has argued that the bunching of the primaries may work to Senator Hart's advantage, while giving Mr Mondale little time to redirect the thrust of his campaign. It is an intriguing and heady prospect for the voters, and for the media provided Mr Hart's campaign does not collapse as dramatically as it has bloomed in the quiet towns and villages of New Hampshire.

The cerebral idealist who offers a 'new generation' of leadership

THE MAN who has put in doubt Mr Walter Mondale's viability as a challenger to President Reagan is a gaunt, cerebral idealist who claims to be offering Americans a "new generation" of political leadership and the "new ideas" to go with it. Senator Gary Hart's roots are deep in the heartlands of America and in the mainstream of the Democratic Party's liberal wing. He was born 47 years ago in the small town of Ottawa, some 60 miles from Kansas City in the agricultural Midwestern state of Kansas.

His father delivered oil to local farmers and at one stage sold used cars. His mother was deeply religious, a member of the Church of the Nazarene, a puritanical Methodist splinter group. The family name, originally Hartpence, was changed when Senator Hart was a young man a point some of his

critics later claimed indicates that even in his 20's Senator Hart was looking forward to a career in public life.

A highly intelligent young man, Senator Hart attended the Bethany Nazarene College in Oklahoma City before heading east to Yale Divinity School, then entering the Yale Law School.

In 1959 he threw himself into John F. Kennedy's Presidential campaign as a volunteer, an experience many believe has affected both the rhetoric and the forward-looking style of his political campaigning today.

He worked in the Justice Department for President Kennedy's brother, Robert F. Kennedy, then Attorney-General, and in the younger Kennedy's Presidential election campaign before his assassination in 1968. In 1972 Mr Hart

worked in Senator George McGovern's ultimately disastrous anti-Vietnam war Presidential campaign against President Nixon. He won a Senate seat in Colorado in 1974, holding it against the Ronald Reagan landslide in 1980.

Although widely perceived as a "liberal" Democrat in part because of these past political connections, Mr Hart has carved out a reputation in the Senate as a fiercely independent thinker whose views on close analysis cannot be readily labelled as belonging to one or the other wing of the Democratic Party.

Some of his colleagues allege that there is a streak of intellectual arrogance about his independence, that he can be aloof and intolerant of peers in the Senate who do not grasp his ideas as quickly and

thoroughly as he does, and that there is not enough of the intuitive politician's willingness to bend and compromise in his make-up for him to make a clear mark on the parliamentary political processes of the Senate.

Senator Hart has chosen to try and capitalise on this rather pristine political reputation. In the skirmishing ahead of the Democratic nomination campaign which began in earnest with the New Hampshire Primary, he portrayed himself not only as the man of new ideas, but, in contrast to Mr Mondale, as a man who is free of the pressures of big money special interest groups.

That pitch appears to have played an important role in his success in New Hampshire. According to surveys of voters who were asked on Tuesday

why they were backing him rather than Mr Mondale—who has won the endorsements of the heavy hitters of the Democratic Party establishment including organised labour—a majority of voters cited Mr Hart's independence from special interest groups as a key factor in their decisions.

In stating his political convictions, Senator Hart has publicly rejected the free spending social welfare programmes which the label "liberal democrat" normally conjures up. He has argued for selective help for the needy and a long-term jobs programme built around the reconstruction of the decaying U.S. economic infrastructure such as roads and bridges.

On the economy, he has stressed the need for modernisation of industry and for programmes putting special emphasis on education of the young and retraining of older workers.

He is pressing the virtues of a consumption tax as a means of boosting investment and for measures to cut the Federal budget deficit in order to boost private capital spending.

Those budget cuts he sees in part coming from the defence sector through the elimination of expensive new weapons systems. But, as a member of the Senate Armed Services Committee, he is not perceived to be "soft" on defence. Indeed, he says that as President he would boost military spending in areas of manpower and conventional forces — a stance which meshes with what he describes as his highest

policy priority, freezing nuclear weapons to prepare the way for a reversal of the arms race.

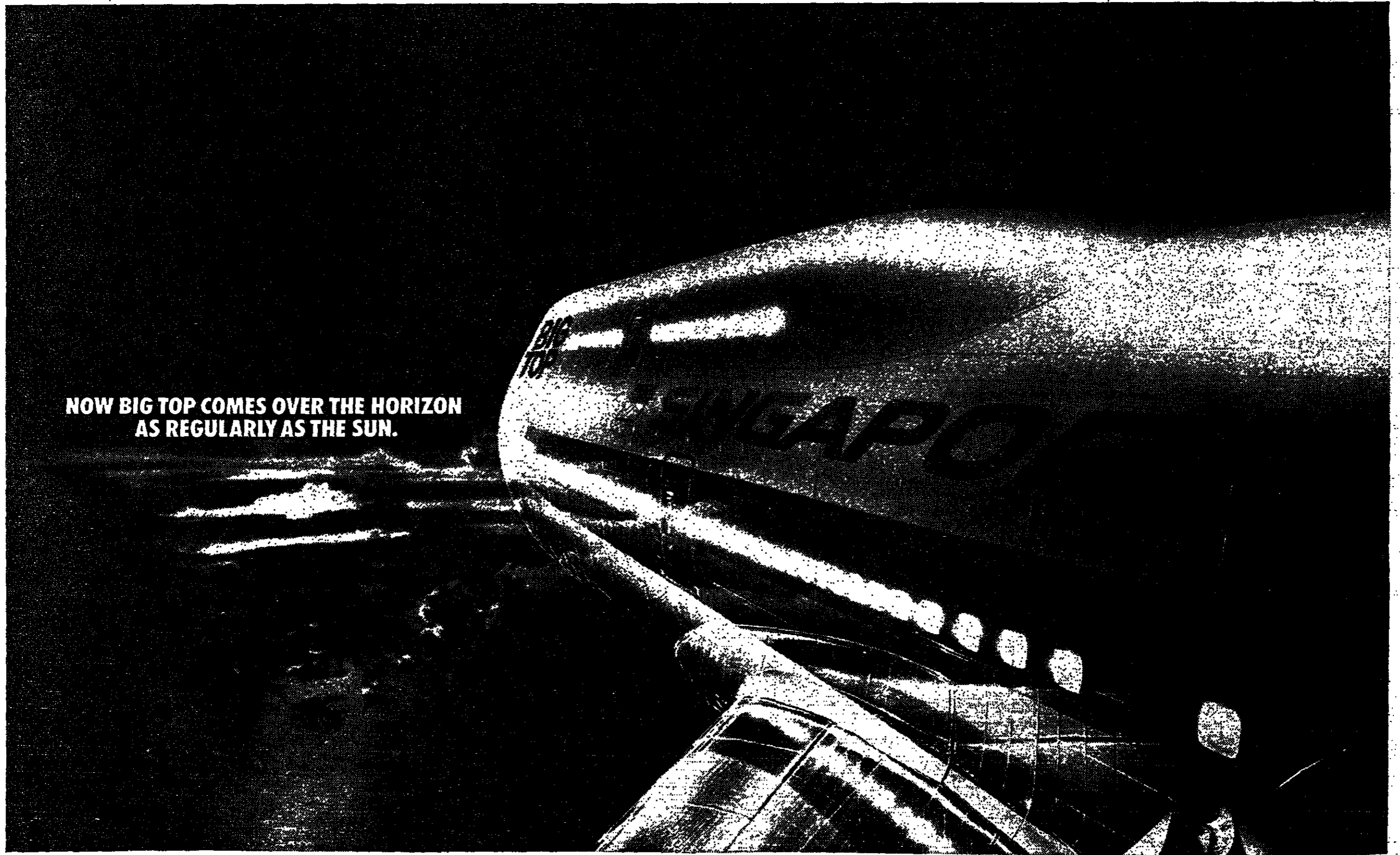
"To believe that we can have better relations (with the Soviet Union) while we are having an arms race is a fool's paradise," he said in a lengthy New York Times interview in January.

Senator Hart has roundly attacked the Reagan Administration's foreign policies in the Middle East and Central America. He claims they depend too heavily on military solutions and says the use of U.S. combat troops overseas is a sign that U.S. diplomacy has failed. The U.S. must out-think its enemies not try to overpower them, he argues.

While some of his Democratic rivals have derided his "new ideas" claims Senator Hart—



who was considered handsome enough in 1979 to win Playgirl Magazine's imprimatur as one of the "ten sexiest men in America"—has stuck to his campaign theme. With the New Hampshire electorate at least, it is a theme which has struck a chord.



NOW BIG TOP COMES OVER THE HORIZON AS REGULARLY AS THE SUN.

SIA, the only airline flying Stretched Upper Deck 747s from Heathrow to Singapore and Australia, will now be operating BIG TOP every single day of the week. Inside, it has an upstairs deck which is twice the size of a normal 747s. And which has been designed as a single cabin to

accommodate the Business Class. On this private floor, you have your own bar service, movie facilities and galley. The seats are as wide and as comfortable as you'd expect and set only two abreast. Giving you the choice of sitting by a window or the aisle.

Downstairs, the First Class cabin is one of the most spacious in the world. All the seats are fully reclining Snoozzzers. Economy Class, too, has its share of extra room, with more space to stretch out between the specially contoured seats. In fact, because of its unique interior

design, BIG TOP has more of just about everything. More room, more movie areas, more galleys. And more gentle hostesses to give you the kind of inflight service other airlines talk about. And most people dream about. SINGAPORE AIRLINES

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"That's a very original opinion. Didn't I read it originally in The Economist?"

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"In the hope of founding a new peasant industry, the Philippine government is sponsoring pilot plants for rearing worms on animal slurry specifically for their meat. And the aim is not to produce animal feed but human food. Dried into powder, the scheme's promoters say, the meat from this variety of worm... makes a delicious addition to beefburgers. They have their eyes on Japan as an export market. Lucky Japan."

"Imagine, for instance, where Marks & Spencer would be today if it had said 20 years ago that it wanted to concentrate on selling pullovers and oranges. The comparison is not fanciful.

In retailing then, as in financial services now, future growth belongs to those who offer what their customers want, not just what they think is good for them. There is no doubt that the customers of building societies want them to become more like banks."

"Since income tax was introduced as a temporary measure to pay for the Napoleonic wars, the tax code has evolved as a hodgepodge. Multinational companies are taxed as though they were Victorian textile mills: husbands are still in charge of their wives' tax affairs. Everywhere the guiding principles are lawyers' past precedents rather than economists' contemporary logic."

"Neanderthals were not the idiots of legend. Their brains were as large as, if not larger than, those of today's Nobel prize winners; they buried their dead (though a suggestion that they put flowers on their graves now looks dubious); and for about 80,000 years they thrived in Europe and Asia."

"If an opera house is to have a purpose, it needs to commission new works and submit half-forgotten ones to the test of fresh ears. If the verdict is unfavourable, so be it. Opera lovers should welcome disappointments. They are the everyday failures against which the great evenings can be measured."

"Under his peculiar Victorian helmet, your ordinary London bobby is racist, sexist, bored, aimless and quite often drunk. Despite this, only 10% of Londoners completely lack confidence in their police. Most citizens seem not to expect very high standards in a tough and brave job, and are satisfied with the service the police provide."

"New research predicts that even a limited nuclear exchange in the (heavily industrialised) northern hemisphere could ignite enough fires to pump hundreds of millions of tons of soot into the atmosphere in a matter of days. That would blot out virtually all sunlight. Freezing cold would then kill off plants, animals and possibly even the healthy human survivors."



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It's witty, wise, opinionated, eclectic, influential and sometimes, even eccentric. Just like a good dinner party. Without the washing up. **The Economist**

WORLD TRADE NEWS

Cyprus Airways set to purchase four A-320 Airbus

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CYPRUS AIRWAYS is to buy four of the proposed new Airbus Industrie A-320 150-seater jet airliners...

Nancy Dunne reports on proposals to shelter U.S. interests from foreign competition Congress awash with protectionist schemes

A U.S. politician who styles himself a protectionist is only slightly less than one who calls himself a fascist...



Senator Packwood... delayed Domestic Content Bill

Support for the various trade proposals is by no means determined by party affiliation...

backing domestic content, they are opposing one of the more popular trade initiatives of the season...

This measure, introduced by Republican Senator John Danforth, passed the Senate last year...

make industrial targeting a punishable offence, other Democrats are backing various industrial policy schemes...

Mr Malcolm Baldrige, the U.S. Commerce Secretary, said yesterday that he hopes the "domestic content" legislation...

Hopes on technology transfer rules fade

By Nancy Dunne in Washington

THE U.S. scientific community has lost much of its initial hope that its differences with the Reagan Administration...

U.S. to impose steel duties

WASHINGTON - The U.S. international Trade Commission (ITC) decided unanimously yesterday that imports of Brazilian steel plate...

Daihatsu, China in deal

TOKYO - Daihatsu Motor Company of Japan plans to sign a technology transfer contract with the Chinese Government...

Rolls-Royce order sets off row in Netherlands

By Walter Ellis in Amsterdam

A POLITICAL row has developed in the Netherlands over a £1.4bn (£32m) order for naval engines with Rolls-Royce...

Shipping rates rise

Further "substantial" increases in freight rates in the liner trades are "seriously needed," according to the International Council of British Shipping...

Liberty Life Association of Africa Limited ("Liberty Life") (Incorporated in the Republic of South Africa) Rights offer of 3 043 266 new ordinary shares of R1 each at a price of R50 per share

Further to the announcements made on 3 February 1984 and 15 February 1984, Guardian Liberty Investment Corporation Limited and Standard Merchant Bank Limited are authorised to announce that the Committee of the Johannesburg Stock Exchange ("JSE") has granted a listing for the renounceable (nil paid) letters of allocation and subsequently the new ordinary shares...

Table with columns for dates and events: THE IMPORTANT DATES FOR THE RIGHTS OFFER WHICH HAVE BEEN APPROVED BY THE JSE AND LSE ARE. Last day for ordinary and convertible preference shareholders of Liberty Life to register for the rights offer: Friday 2 March 1984.

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Morgan Grenfell & Co. Limited announces that Bonds for a total of U.S.\$15,000,000 nominal of the above Loan have been purchased and tendered to them for cancellation.

Table of bond numbers: The following are the numbers of the Bonds drawn. 15 9 11 13 95 97 101 102 112 127 129 132 137 148 149 156...

Shipping rates rise. Further "substantial" increases in freight rates in the liner trades are "seriously needed," according to the International Council of British Shipping yesterday on the eve of the second increase in four months...

Trade between the two Germanies rises by 8%

BY LESLIE COLTJIT IN BERLIN

TRADE BETWEEN the two Germanies rose 8 per cent to a record Dm 15.2bn (£3.9m) in 1983 as a result of heavy East German purchases of West German steel...

UK NEWS

Exports tarnish UK trade picture

By Max Wilkinson Economics Correspondent

BRITAIN'S current account of the balance of payments... Exports fell by 1.2% in January...

Table with 3 columns: Current, Visible, Invisibles. Rows for 1983, 1982, 1981, 1980, 1979, 1978, 1977, 1976, 1975, 1974, 1973, 1972, 1971, 1970, 1969, 1968, 1967, 1966, 1965, 1964, 1963, 1962, 1961, 1960, 1959, 1958, 1957, 1956, 1955, 1954, 1953, 1952, 1951, 1950, 1949, 1948, 1947, 1946, 1945, 1944, 1943, 1942, 1941, 1940, 1939, 1938, 1937, 1936, 1935, 1934, 1933, 1932, 1931, 1930, 1929, 1928, 1927, 1926, 1925, 1924, 1923, 1922, 1921, 1920, 1919, 1918, 1917, 1916, 1915, 1914, 1913, 1912, 1911, 1910, 1909, 1908, 1907, 1906, 1905, 1904, 1903, 1902, 1901, 1900.

Banned GCHQ unions plan 'underground' group

BY PHILIP BASSETT, JOHN LLOYD AND PETER RIDDELL

LEADERS of Civil Service unions are planning to set up an alternative organisation to represent staff at the Government's secret intelligence centre GCHQ...

Civil Service union leaders met with the general council of the Trades Union Congress (TUC) last night to inform it of the latest position in the dispute...

Unions at Kodak call for U.S. 'summit'

UNION leaders representing Kodak workers in Europe intend to go to the U.S. to discuss with the multinational company its future strategy.

Mr Alan Sapper, general secretary of the UK technicians' union ACT, said yesterday: "If we cannot get anywhere, we are arranging a team to go to America to try to demand a meeting with Kodak management there."

Cable TV channels 'face £80m short-term deficit'

BY RAYMOND SNODDY

THE ECONOMICS of cable television would frustrate creative talent in the short term, Mr Don Cruickshank, deputy chief executive of Goldcrest Films and Television, said yesterday.

Speaking at the second day of the Financial Times conference in London on cable and satellite television, he said the business plans of the main seven programme channels showed a cumulative deficit of £80m to £100m in the next three or four years...

audiences and marketed them professionally. Cable should allow advertising on the biggest potential audience pullers - the premium film channels - and measure the audience regularly to an agreed standard.

Mr Bernard Myers, a director of N. M. Rothschild, said financing the new media was going to be difficult. The unknown factors of government, in terms of licensing and tax, together with the normal risk of developing a new business meant that the main sources of finance would be from commercial companies.

cable nor DBS could match the existing telephone line networks into 22m UK homes. British systems were at the forefront of interactive technology, and if industry mobilised itself, just as California did in the 1970s the UK could become Viewdata Valley of the 1990s.

FINANCIAL TIMES Cable TV and Satellite Broadcasting CONFERENCE

Shipyard talks at crucial stage

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

NEGOTIATIONS are at a crucial stage over the possible private takeover of the Scott Lithgow shipyard, part of state-owned British Shipbuilders.

The Government increased its spending estimates on Tuesday to provide £125m to British Shipbuilders, chiefly to cover costs resulting from Britoil's cancellation of an £80m contract...

drilling rig. The rig is a year behind schedule, but 95 per cent complete. BP has claimed £35m from British Shipbuilders over the contract, which would add further to the possible losses at the yard.

Lords call for reform of CAP

BY PHILIP STEPHENS

REFORM of the Common Agricultural Policy and a fairer system of payments to the European community budget, to cut Britain's contribution, must be preconditions for any increase in the Community's resources, an all-party committee of the House of Lords has concluded.

The money, it suggests, could come from an increase in the 1 per cent ceiling on its revenue from value-added tax collected in member states.

country's share in relation to its national wealth and would substantially reduce Britain's contribution. The committee also wanted firm cuts in farm spending, now about 70 per cent of the total budget, to ensure that any additional cash was not simply diverted to the Common Agricultural Policy.

HOW COMPUTERVISION HELPED CONFIRM da VINCI'S GENIUS

For almost 500 years, friars dining in the monastery of Santa Maria del Grazie felt like guests at The Last Supper. Leonardo da Vinci's famous masterpiece was painted on their refectory wall. And somehow the artist had created a scene that appeared to take place in the very room where the monks ate.

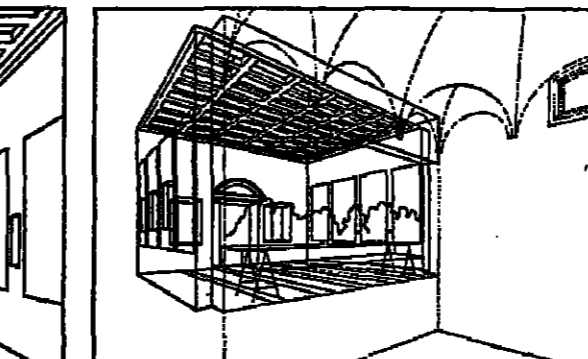
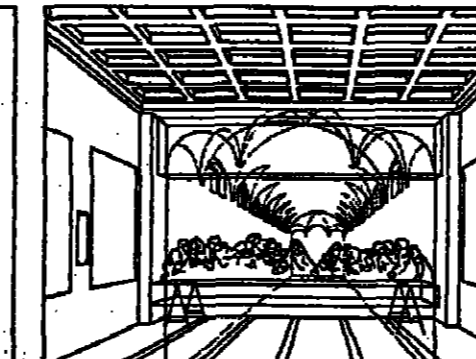
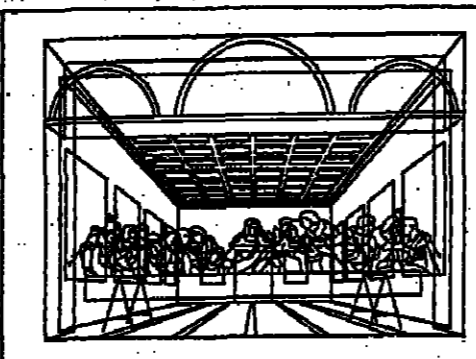


They discovered that the room is a perfect continuation of the refectory. This is the basis of the visual effect. And, of greater significance, it reveals da Vinci's depth of architectural understanding, either intuitive, or learned, which further underscores the artist's genius.

As the world leader in computer-aided design and manufacturing, Computervision systems have been used to solve productivity problems in a wide variety of industries. From making space ships to microchips. From steel pistons to artificial limbs. And we're proud of that.

We're even more proud when our technology can be used to help save the marvels of the past. The Milan experts feel that spatial analysis such as this will be helpful in restoration efforts currently underway on The Last Supper.

For more information on how Computervision can help you solve problems in your industry, write to Computervision Limited, Dept MC8, Central House, New Street, Basingstoke, Hampshire RG21 1DP.



First, a Computervision system was used to create a layered and highly detailed three-dimensional model of The Last Supper.

Based on this information, modifications of the model could be demonstrated quickly and easily. Even from inside looking out!

Finally, at the touch of a button, the scene, and the room in which it appears, could be shown in complete perspective, from any angle.

COMPUTERVISION Architecture, Engineering and Construction • Electrical Machinery/Electronics • Aerospace • Mechanical Machinery • Fabricated Materials • Automotive.

THE ARTS

A Streetcar Named Desire/Mermaid

Michael Coveney



Duncan Preston and Sheila Gish

Blanche du Bois, the flickering, fragile beauty, from the Mississippi plantation who walks into the steamy atmosphere of her younger sister's cramped New Orleans apartment in search of a little Southern comfort...

example is the first time we learn of a secret in Blanche's past. Miss Gish shudders at the mention of the Flamingo in Laurel. The scene is framed by the upstairs couple having a vivid tiff about the girls at the Four Deuces...

You are jolted, too, on hearing that Blanche was the victim of someone who wrote the "warholian" unit for the job: on hearing Mitch say she is not clean enough to take home to his mother...

Mr Strachan's production was first seen at Greenwich last September and recommended a visit to the theatre, now under new ownership and safe again as a theatre...

Getting rid of Blanche boils down, for Stanley, to returning to a noisy sexual relationship with Stella. Blanche's presence has driven him a little crazy...

On Tuesday night the American pianist Samuel Dilworth-Leslie began his cycle of all Gabriel Fauré's piano music in four short recitals...

Fauré's piano music/Purcell Room

David Murray

recital. New listeners will discover some splendid music — and they should stop reading now. For devotees, the drawback of Dilworth-Leslie's performance is that they are not only forthright but blunt...

time. That is just what Dilworth-Leslie lacks. He indulges too much hefty mezzo-forte anyway, and his (rare) softer playing is full of bumps, main voices rudely jostled by mere accompaniment-figures.

The Merry Widow/New Theatre, Cardiff

Max Loppert



Suzanne Murphy as Hanna Glawari and Thomas Allen as Count Danilo

Advance trepidation over the Welsh National Opera's Merry Widow was easily indulged in. A Draconian reworking of the most popular and familiar operetta, intended to disgorge some producer's Deep New Discovery...

The Merry Widow is the operetta (Gounod's Faust its operatic counterpart) to have maintained perhaps the strongest of all hold on the popular imagination...

Where it doesn't act as far example in the Act 2 summerhouse duet, WNO casting. Only one member, Thomas Allen undertaking his first Danilo, does full justice to the melodic line...

balance with all the voices on Tuesday. But to the delight of the Act 2 summerhouse duet, WNO casting. Only one member, Thomas Allen undertaking his first Danilo...

carries the costumes with exactly the right elegance; but the lack of colour in her singing constantly spoils the good impression, and the familiar by-product of her vocal method, the duction of sung words to mush...

A mixed bag of delights

inventor par excellence — though not just that — and Bonlez doesn't miss the jokes: you may find yourself laughing out loud from time to time.

Among the recent flood of French re-discoveries comes the Fourth (and last) Symphony of Albéric Maguand, sumptuously played by Plasson and the Toulouse orchestra.

Having both versions wouldn't be an extravagance, but an instructive delight. The Concerto is less than 20 minutes long, and the Sinfonietta record is completed by the just-arrived Melodias (creeping tunes, tendril-like, an expanded Obbe-and-Hard Double Concerto...

things in it to capture one's affections anyway; but something about the performances seem to be those in which the strain between sweeping solo rhetoric and the threatened little quartet is grossly obvious.

Amid the (latest) revival of interest in the Danish composer Carl Nielsen, a timely "complete orchestral music" is being issued on BIS records (imported by Conifer).

Finally, two records for delight. Just in the superlative playing of Bolet's collection of Schubert-Liszt transcriptions is unrhymed, broad, full of mature subtleties; there are many insights into the sense of the original vocal lines.

Spectrum's concert on Tuesday night could not have proposed a more radical advantage: an entire evening of chamber music, by four members of the Arditti Quartet as his string section.

The Xenakis benefited greatly from an exceptional line-up of performers. Faloutsos (1970), taut and savagely simplistic, is certainly not one of Xenakis's most interesting works; but its most remarkable achievement is to configure an almost full orchestral sonority from eleven instruments, in which task the conductor Guy Protheroe was

powerfully aided by having Claude Heiffer as his pianist, Barry Guy as his double-bassist, and all four members of the Arditti Quartet as his string section.

Jonathan Harvey's Bhakti for chamber ensemble and four-track tape, composed by commission from IRCAM in Paris, appends a quotation from the Sanskrit Rig Veda at the end of each of its 12 movements...

Xenakis and Harvey/Elizabeth Hall

Dominic Gill

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Courtauld launches £3m appeal

In the 50 years of its existence, the Courtauld Institute has established itself without question as Britain's principal centre for the study of art history...

Arts Guide

WEST GERMANY: Kunsthalle, Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 200 drawings, sketches and oil sketches document all periods of the French Impressionist's career. Ends March 22.

ROME: Galleria Giulia, Via Giulia 118. In one of the most beautiful streets of Rome. An exhibition of engravings produced by the Bauhaus in the 1920s. Works by Kandinsky, Klee, de Chirico, Carrà, Chagall and many others. Ends March 25.

LONDON: Royal Academy, The Genius of Venice — we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us exclusively to the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century.

PARIS: Galerie de Juchereau celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries. Full of photographs and drawings of daily life in the city. Ends March 23.

WASHINGTON: Leonardo's Last Supper (National Gallery). Although the refection of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4.

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FINANCIAL TIMES

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Thursday March 1 1984

American surprises

THERE are two big political contests in the U.S. this year. One is for the Democratic nomination for the Presidency. The other is for the Presidency itself. As the results of the New Hampshire primary on Tuesday demonstrate, it may not be wise to regard the outcome of either as a foregone conclusion.

Orderly retreat from free trade

THERE are signs of relief all round that the U.S. and the EEC have peacefully agreed the terms on which the Europeans will be compensated for damage caused by American import quotas and tariffs on special steels.

CHARACTERS

shape events: and the events of the past weeks surrounding the most secret of installations at Cheltenham have been shaped by the most public of characters, the Prime Minister and the TUC general secretary.

Mrs Thatcher... a rational and quite possibly successful outcome?

ing on a surprise concession by the Chancellor chairing his first NEDC meeting last July. The Government is taking it seriously enough, but it is not an integral part of its strategy.

BRITAIN'S TRADE UNIONS

Thatcher waits it out

By John Lloyd, Industrial Editor



Day of disruption: the march through London.

stopped the national papers—admitted with characteristic foot-in-mouth frankness that it was a pity to have lost the publicity but, host on the part of his earlier fighting call for action, said he was glad they had done it anyway. They had done it, quite simply, because he had asked them to and because they were loyal to their union.



Mr Murray... outrage, targeted at Ministers who led him to expect better?

Yet a better-than-feared response is not firm ground on which to plan an escalation of industrial action. The overwhelming majority of workers worked normally. Many of these might respond to a carefully planned, 24-hour strike; indeed, such a move might well succeed.

that union membership and GCHQ work are incompatible. Ministers let it be known this week that the proposal to ban unions came from the staff at Cheltenham in the first instance, following the disruption during the 1981 civil service dispute. One man, driving into GCHQ on Tuesday morning and stopped briefly by a BBC TV reporter, snapped "This should have happened long ago" when asked what he thought of the ban.

Doing nicely, thank you

Dr Henry Kissinger, the most active U.S. Secretary of State in recent history, is not letting up the pace in private life. When he joins the board of American Express in April, he will increase his clutch of directorships to at least five.

Stress control

Rosemary Clough has taken on the role of "agony aunt" to 2,500 British workers employed by Control Data, the U.S.-owned computer group.

Men and Matters

group already provides for its workers in the U.S. EAR's manager, John Hall, reckons that the service in America saves the group around \$10m a year by helping staff cope with personal problems that would otherwise result in bad timekeeping, absenteeism and erratic conduct.

High flyer

Richard Branson, a millionaire at 33 thanks to his Virgin Records, is clearly intent on taking off in other directions. He has bought a seven-figure stake in British Atlantic Airways, which is bidding for the Gatwick-Newark, New Jersey, route and aims to compete in cheap fare Atlantic crossings with the U.S. People Express.

Science sales

Ex-banker Norman MacLeod has found a new lease of life in lasers, robots, liquid crystals and other manifestations of high technology. When he retired as general manager of Williams and Glyn's, MacLeod took on a part-time job as chief executive of Vuman, a company set up by Manchester University to exploit the ideas of the university's researchers.

St David's men

St David's Day today: an anniversary of importance in Wales. Casting around for fresh national triumphs to brunt beyond Oda's Dyke, the Welsh National Development Agency has discovered that three Cardiff University men hold the presidencies of the institutions of electrical engineers, civil engineers, and mechanical engineers.

THE MANCHESTER SHIP-CANAL COMPANY Chairman D.K. Redford CBE DL 1983 RESULTS

Table with 2 columns: 1983 and 1982. Rows include Turnover (£000), Operating profit, Income from property, Investment income, Interest payable, Profit before exceptional items, Exceptional expenditure - voluntary severance, Taxation, Profit/(Loss) for the year, Earnings/(Loss) per ordinary share of £1 Dividends.

Points from the Chairman's statement to shareholders: * Continuing improvement in affairs overall. * Operating turnover down 4% on 1982 but expenditure lower by 9%.

Observer

ECONOMIC VIEWPOINT

How taxes distort investment

By Samuel Brittan

WHERE THE TAX BREAKS ARE

DEGREE OF FISCAL PRIVILEGE FOR BASIC RATE TAXPAYERS 1982-83 Tax System

Fiscal privilege is the difference between an individual's normal rate of tax and his effective rate on the investments shown

Table with 3 columns: Investment type, Zero inflation, 10% inflation. Rows include Business expansion scheme, Insurance contracts, Pension contributions, etc.



These numbers show investments with a tax advantage

Source: Institute of Fiscal Studies

THE INSTITUTE of Fiscal Studies has prepared two major reports in the run up to the UK budget. The first is Public Finance in Perspective. This is on the well-worn theme that the Public Sector Borrowing Requirement (PSBR) is an inadequate guide and on the need for a comprehensive public sector balance sheet. The second, entitled Savings and Fiscal Privilege, is to be published next Monday and is to be the subject of an IFS conference that day.

Conscientious civil service

From Mr. K. Holland, Sir—The report in your issue of February 24 'Ray deals best in state industries'... Good luck of course, to the state industry workers—they obviously have sensible employers.

Letters to the Editor

any financial yardstick? Apart from its intrinsic value... Sir—The City has campaigned for many years for the abolition of those antiquated taxes, stamp duty and contract duty, without any success so far.

Not for widows and orphans

From Mr. L. Black, Sir—I refer to the report by Mr. John Moore (February 22) wherein it is implied that either the members and/or the underwriting agents of Syndicate 895 intend to take legal action against the parties responsible for the losses incurred on the grounds of bad underwriting judgement and/or underwriting in excess of premium limits established by Lloyds and/or inadequate reinsurance arrangements.

Tax reform and the securities market

From Mr. J. Marsh, Sir—The City has campaigned for many years for the abolition of those antiquated taxes, stamp duty and contract duty, without any success so far.

Languages in school

From Mr. R. Hunt, Sir—May I add something further on the teaching of oriental languages in school, namely modern standard Chinese (Mandarin). The John Mason School, Abingdon, Oxon, a state comprehensive school, has had Chinese language on its timetable from 1963 (under the then headmaster Mr. D. G. E. Hurd) and since 1967 it has been a fully integrated subject on the curriculum, being taught to 'O' and 'A' levels.

Software and tendering

From the Managing Director, Cullinet Software, Sir—British Software companies must have been heartened to read Andrew Young's article (February 20) 'Software buyers to set-up forum'.

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Lombard Lessons of the French U-turn

By David Marsh in Paris

FRANCE'S Socialist Government came to power in May 1981 aiming to break the international economic mould—and ended up being squeezed in it. The recasting since then of economic policy in the direction of "rigour" and "realism" provides an eloquent example of the limits to government action in a country which keeps its borders open to flows of capital and technology.

does not do very well, attracting fiscal privilege of around minus 30 per cent. If inflation is 10 per cent, still further distortions arise. A housebuyer with a 50 per cent mortgage enjoys fiscal privilege over 90 per cent while a depositor with a building society suffers nearly minus 80 per cent.

Hoskyns... Making computers work for you. Advertisement for Hoskyns computer services, featuring a large illustration of a computer system and various service icons.

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DAMASCUS TALKS LIKELY TO PROVE DECISIVE

Gemayel meets Syrian leader

BY NORA BOUSTANY IN BEIRUT AND OUR MIDDLE EAST STAFF IN LONDON

President Amin Gemayel of Lebanon met President Hafez al-Assad of Syria in Damascus yesterday for a first round of talks which are likely to prove decisive in the search for a ceasefire and longer-term political stability in Lebanon.

The Lebanese president, who was given a full ceremonial welcome at Damascus airport, was greeted by President Assad and government ministers. While the Damascus talks were taking place, a large car bomb exploded in West Beirut and rival militias continued to exchange fire.

Port, on which he has depended for the past 18 months. U.S. officials have already indicated that Lebanon was no longer the first American priority in the Middle East.

Phalange militias. But the hardline Father Boulos Naaman, head of the monastic order of Maronite monks, said yesterday he would support the President in whatever decision he took.

Brussels calls for VAT levy to be doubled

By John Wyles in Brussels

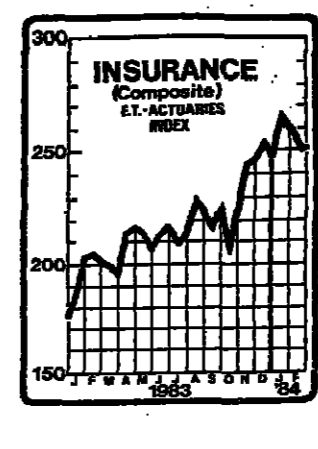
THE EUROPEAN Commission last night adopted a controversial proposal which would add at least another £8.3bn (14.56bn European Currency Units or \$12.2bn) to the total money available for spending through the EEC budget.

This is currently restricted by the so-called 1 per cent VAT limit on member states' direct budget contributions fixed in April 1970. After lengthy discussion, the 14-member Commission agreed to urge the summit in Brussels on March 19-20 to raise this revenue ceiling to 2pc.

It will claim that a significantly lower ceiling will leave the community in a poor position both to cope with the cost of enlargement - currently calculated at around 1.5bn Ecu a year - and to develop existing and new policies.

THE LEX COLUMN GA holds its U.S. lines

Chalk and cheese were much discussed commodities in the insurance sector yesterday as analysts weighed up General Accident's (GA) 1983 results a week after their traumatic encounter with Commercial Union (CU).



pested promises - that will be a bonus. Even without doing so, it should not find it hard to exceed £35m before tax this year.

Disney to build theme park in Europe

By Paul Taylor in New York

WALT DISNEY Productions, the U.S. entertainment group that created Mickey Mouse and Donald Duck, is to build a Disneyland theme park in Europe.

The group, which already operates highly successful theme parks featuring Disney cartoon characters in California, Florida and (more recently) in Tokyo, confirmed yesterday that it is "committed" to building a European Disneyland and is currently negotiating for a site.

Under the plan, revealed to shareholders at the company's annual meeting in Florida by Mr Ron Miller, Walt Disney's president, the European Disneyland would be modelled on the Magic Kingdom theme park in Florida and on the Tokyo Disneyland, which has attracted more than 9m visitors since it opened last April.

TRUDEAU'S POLITICAL LEGACY Force for unity and reform

BY W. L. LUETKENS IN LONDON

PIERRE TRUDEAU entered Canadian federal politics in 1965 with one supreme objective: to preserve the unity of Canada by reconciling a restive, French-speaking Quebec with its status as one of the 10 Canadian provinces.

Almost 20 years later, and with several defeats and mistakes down the road, Canadian unity looks as safe as it ever is likely to be. The Quebec separatists are in retreat; the Parti Quebecois, while still in office in Quebec City, has for a long time soft-pedalled the issue of an independent Quebec.

Progressive Conservative minority Government was in power. Mr Trudeau has remained at the head of the Canadian Government. But the second half of the 1970s and the 1980s have proved very different from the heady 1960s. Canada laboured heavily under the successive oil price shocks; the huge economic expectations of a new welfare state splintered into inflation and eventually, the worst recession in Canada since the 1930s.

Canada poll likely as Trudeau resigns

Continued from Page 1

On hopes of an early general election and the possibility of a more business-oriented leader being chosen to lead the Liberals, the Toronto Stock Market TSE-300 Index leapt 13 points to 2,412.82, after the resignation announcement.

Opposition to Mr Turner, however, could be strong. Mr Jean Chretien, the Energy Minister, has made no secret of his desire to run. Bilingual, but by birth a French-speaking Canadian, Mr Chretien might garner more support in Quebec than Mr Turner, but traditionally the Liberal Party leadership has alternated between French and English-speaking Canadians.

Hong Kong

There is a message for the Chancellor of the Exchequer buried somewhere in yesterday's Hong Kong budget statement. Until recently, Hong Kong magically combined a high rate of economic growth with the appearance of a balanced budget. In practice, however, asset disposals - known as land sales to Government revenues. In the great bear market, those revenues dwindled rapidly, leaving the Financial Secretary in the unfamiliar position of asking the debt market for funds.

The HK\$1bn bond issue announced yesterday is, if anything, more modest than the market had anticipated. By allowing banks to treat the debt as specified liquid assets in their balance sheets, the Government may seek to borrow at a negative real interest rate. That opportunity is one which more finance ministers would exploit to the hilt.

Moreover, the Financial Secretary was short of straightforward fiscal options. Last year's sharp increases in indirect taxation ploughed straight in to the law of diminishing returns, while the freedom for manoeuvre on direct taxes is inevitably circumscribed by the absence in Hong Kong of a proper income tax.

Marley

The past year has been tagged as an "annus mirabilis" for the roofing tile industry, when volumes overall increased by more than a quarter to perhaps the highest level in the past 60 years. There would have needed to be a lot wrong with Marley for it to fail in such conditions, and indeed its own output rose faster still, helping to lift its pre-tax profits for 1983 by over 130 per cent to £28.2m.

Apart from tiles, which can scarcely be expected to show much further growth this year, there was a strong performance from extruded products, and some encouraging signs that Marley has got the right formula in its Frayless do-it-yourself stores, where sales per foot, and net margins, are apparently beginning to pull ahead of the industry norms. If Marley can finally staunch the chronic blood-loss in its U.S. Ingrid subsidiary - after re-

U.S. upsets the Pineapple cart

BY NANCY DUNNE IN WASHINGTON

THE SIMILARITY between Apples and Oranges - and even Pineapples - was just too great for the U.S. International Trade Commission, which agreed late on Tuesday that nearly two dozen Asian manufacturers were infringing on patents and copyrights held by the Apple computer company.

The commission is expected to issue an order on March 7 excluding such Asian-made pile imitators as "Pineapple" and "Orange plus II" computers from the U.S. market. President Ronald Reagan will then have 60 days to accept or alter the order.

Hart win opens up campaign

Continued from Page 1

tion" of political leaders with "new ideas" appears to have struck a chord with a broad cross-section of the Democratic voters in the tiny state of fewer than 1m inhabitants, has, as he said, "buried the label 'dark horse'."

Lacking the money, the resources and the organisation which Mr Mondale has at his disposal, Mr Hart still has some critical choices ahead in the run-up to the vital "super Tuesday" of presidential primaries on March 13.

Gulf suitors line up for takeover

BY WILLIAM HALL IN NEW YORK

GULF, THE U.S. oil group under siege by a group of its shareholders led by Mr T. Boone Pickens, has been approached by about a dozen large companies, including at least one from Europe, in preliminary moves that might lead to a takeover.

Gulf, the fifth biggest U.S. oil group, has sent confidential information to the interested companies, which have signed agreements not to divulge the contents. The interest in Gulf has fuelled a sharp rise in its share price recently. They have been the most heavily traded on Wall Street for the last

World Weather

Table with columns for location, temperature, and weather conditions. Includes locations like London, New York, Tokyo, etc.

Advertisement for Daniel Felder, Urs Mettler, and First Vice-Presidents. Text: 'We are pleased to announce that Daniel Felder, Urs Mettler have been promoted to First Vice-Presidents and that they are appointed to MEMBERS OF THE EXECUTIVE COMMITTEE'

Advertisement for NOMURA (SWITZERLAND) LTD. Zurich Office, Geneva Office, and contact information.

Large advertisement at the bottom of the page with Arabic text and a logo.

SECTION II - INTERNATIONAL COMPANIES
FINANCIAL TIMES

Thursday March 1 1984



Vent-Axia
The first name in unit ventilation... look for the name on the product.

Braniff takes to the skies again

BY WILLIAM HALL IN NEW YORK
BRANIFF, the U.S. airline rescued from bankruptcy by Chicago's wealthy Ritzler family, will take to the skies next Monday after an absence of nearly two years.
A much slimmed down version of the former fast growing U.S. airline begins operations to 18 cities from its Dallas-Fort Worth base this morning. Its fleet of 30 Boeing 737-200s will operate 82 flights a day, 35 hoping to attract the frequent business passenger as its main business.

Schering lifts sales by 21%

BY LINDA COLT IN BRISTOL
SCHERING (Pharmaceuticals and Chemicals, based in West Berlin), which last year reported a 21.8 per cent increase in sales to DM 4.39bn (\$1.64bn), largely through the inclusion of the FBC group in its balance sheet, which it purchased from Fisons & Boots without FBC, sales rose 5.2 per cent.
Earnings were undisclosed, but the company said they were equal to 1982, when a 21 per cent dividend was paid. Schering's foreign subsidiaries improved earnings with the exception of South Africa, where heavy losses were incurred as a result of the drought which led to a fall in the sales of agro-chemicals.
Sales of industrial chemicals rose 16.3 per cent because of the economic improvement at home and abroad. Pharmaceuticals were up 5.1 per cent. Agro chemicals turnover doubled after including FBC and made up 28 per cent of Schering's total sales. The refined chemicals division had a decline in turnover of 4.1 per cent because of a sharp fall in amino acid sales by the Daimont company.

Car income boosts Saab Scania profits

BY KEVIN DONN IN STOCKHOLM
SAAB SCANIA, the Swedish automotive and aerospace group, took its profits to a record level last year, helped by the surging profitability of its car division.
Car profits before taxes and appropriations jumped 46 per cent last year to SKr 2.0bn (\$294.6m) from SKr 1.4bn in 1982, and profits are expected to increase further this year.
Mr George Karslund, managing director, said yesterday that profits were expected to increase further this year.
Group sales rose 11 per cent to SKr 20.8bn from SKr 18.7bn a year earlier. The company said yesterday it was increasing its dividend payment for 1983 by 22 per cent to SKr 10 per share from SKr 8.18 per share in 1982.
The group is substantially increasing both its car and commercial vehicle manufacturing capacity and plans to expand its workforce by about 800 this year.
It has won a major new truck contract from the Middle East, believed to be from Iran, worth nearly SKr 600m.
For the first time the group revealed divisional results yesterday which show an operating income of SKr 821m for the car division. The profitability of the car division, where Saab has been making consistent losses up to 1981-82, has jumped dramatically.
Saab car sales rose to 65,000 last year from 60,000 in 1982, and the annual production rate is to be raised in 1984 to reach 120,000 units by the end of the year.

Boussac attacks Paris in call for more funds

BY DAVID MARSH IN PARIS
The Finance Ministry has been unwilling to agree financing until the company - which is still making losses despite relief from debt charges and other aid measures - puts its industrial structure on a firmer footing.
Boussac went to the unusual lengths of bringing its argument before the public in an advertisement in yesterday's edition of Le Monde. It charged that the Government and the banks - which between them own Boussac's freshly constituted capital of FF 200m put up in 1982 - had not so far lived up to undertakings made two years ago to help resolve the group's financial problems.
It pointed out in the advertisement that financial conditions facing the group had been more pressing than anticipated since 1982.

Earnings up at two U.S. stores groups

BY OUR FINANCIAL STAFF
J. C. PENNEY and R. H. Macy, two of the biggest U.S. stores groups, have reported solid gains in earnings for their latest quarters, helped by continuing advances in sales.
J. C. Penney, one of the largest retailers of general merchandise with about 2,000 stores, boosted net earnings from continuing operations to a record \$266m or \$3.47 a share, against \$247m or \$3.19 in the fourth quarter to January 28. A \$1.1m loss in the previous quarter lowered final net profits to \$263m or \$2.71 a share.
For the year, net profit from continuing operations rose from \$438m or \$5.87 a share, to \$487m, or \$6.25. Sales rose from \$11.4bn to \$12.2bn, with a contribution of \$4.18m (\$3.77m) in the last quarter.

Modest profits advance for Bank of Montreal

BY ROBERT GIBBENS IN MONTREAL
BANK OF MONTREAL, Canada's third largest chartered bank, posted a slight gain in earnings for the first quarter of fiscal 1984, ending January 31, but the Bank of Nova Scotia (BNS), the country's fourth largest, posted a decline.
The Bank of Montreal ascribed the gain to better loan performance and stable operating costs. Net profit was C\$78.8m (US\$61m) or C\$1.02 per share against C\$74.4m or C\$1.04 a year earlier, on fewer shares outstanding.
Net interest income rose to C\$410.8m, up 4.1 per cent from the 1983 fourth-quarter level and 2.6 per cent from the first quarter of the previous year. The loan-loss provision fell to C\$67.4m from C\$159.6m a year earlier.
Total assets were virtually unchanged at C\$63.5bn.

VW stabilises sales in U.S.

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN GENEVA
VOLKSWAGEN has at last stopped the decline in sales of cars from its U.S. production plant, Dr Carl Hahn, VW chairman, said at the Geneva motor show.
Including imports from West Germany, Volkswagen's sales in the U.S. increased by a third from 30,400 to 41,500, in January and February compared with the same period in 1983. "The North American dealers are smiling," said Dr Hahn.
He held out no hope, however, of the VW production plant in the U.S. being profitable this year. "Nobody reaches break-even on small cars in the States," he said - but VW had no intention of broadening the range produced in the U.S. to include the larger vehicle.

AMC to launch new Jeep in Europe

BY OUR MOTOR INDUSTRY CORRESPONDENT IN GENEVA
AMERICAN Motors is to launch its new light Jeep in Europe later this year. Mr Paul Tippett, chairman, announced at the Geneva Motor Show yesterday.
The vehicle, the first new Jeep for 20 years, developed with financial help from Renault, of France, will compete with Renault's Range Rover and Japanese vehicles like the Toyota Land Cruiser.
Expected sales volumes are relatively modest. AMC hopes to sell about 1,000 this year, spread between France, Austria, Belgium, Holland, Switzerland and Greece, and 2,000 in 1985.
Sales in West Germany and the UK will be delayed for a year or more while AMC sets up a distribution network in Germany and arranges for right-hand drive conversions for Britain.
Mr Tod Clare, AMC's director of international sales, said that "providing the dollar doesn't go against us" up to 3,000 a year of the new Jeeps could be sold in Europe, as well as about 1500 other Jeep models such as the smaller CJ. Jeep sales in Europe peaked at about 5,000.
Renault owns 46 per cent of AMC and the Renault 2.3 litre turbo diesel engine will be used in the new light Jeep, called the Cherokee, from September. It will be the first time that diesel engine has been available in a Jeep in the U.S.
In spite of the close relationship

KHD sales slip offset by cost reductions

BY RUPERT COMWELL IN BONN
IN SPITE of a fall in both sales and orders the West German engineering group Klockner-Humboldt-Deutz (KHD) yesterday reported "satisfactory" results for 1983, although it gave no figures.
The full year result shows a 2 per cent decline in group sales to DM 4.9bn (\$1.87bn). Parent company turnover fell more sharply, by 4 per cent to DM 3.77bn, as a result of a contraction in the domestic business of KHD.
The group was hit by weak demand for products from its engines division both at home and abroad. In Germany the depressed state of the machine tool, shipbuilding, and heavy vehicle sectors weighed on performance. Orders from Opec and developing countries also fell back.
KHD reported, however, that cost-cutting measures enabled it to shrug off these difficulties. In 1983 the group's workforce was cut by almost 1,500 to 21,141. In 1982 the company made a profit of DM 49.8m. Observers expect that year's DM 1.50 dividend to be maintained for 1983.
New orders booked last year declined 11 per cent to DM 3.4bn, almost two-thirds of them for export.
KHD said several large orders expected from abroad in the second half of 1983 had been held up by financial difficulties of the customer countries. Contracts worth about DM 500m are affected in this way, the company said.
KHD reckons 1984 will see little major change in its performance. The group is expecting further improvement in its tractors and agricultural machinery sector. It warned of the uncertainty caused by the mounting dispute over the unions' demands for a 35-hour working week.

U.S. group takes over Bankhaus Bohl

BY JOHN DAVIES IN FRANKFURT
SECURITY PACIFIC, the U.S. banking group, has taken over Bankhaus Bohl, an institution with consumer finance and term deposit business in West Germany.
The U.S. concern, based in Los Angeles, has bought Bohl from the West German affiliate of Royal Bank of Canada for DM 36m (\$13.8m).
Mr Frank V. Cahouet, vice-chairman of Security Pacific, said yesterday that Bankhaus Bohl gave the U.S. group the chance to offer retail consumer finance in West Germany in addition to its leasing and wholesale banking services.
He said Bankhaus Bohl, established in 1959 and acquired by Royal Bank of Canada in 1980, had capital of DM 24m and assets of DM 300m (\$114m). It operated branches in Bremen, Essen, Frankfurt, Hamburg and Munich, although it was based at Freudenbergstrasse, near Baden-Baden.
Security Pacific said the takeover was subject to the approval of U.S. regulatory authorities.

Cebal acquires can producer

BY PAUL BETTS IN PARIS
CEBAL, the aluminum packaging subsidiary of the French nationalized Pechiney group, said yesterday that it had acquired a can manufacturing plant in Italy from an Italian subsidiary of General Foods of the U.S.
Pechiney, the third largest aluminum producer in the western world, did not disclose the price paid for Nuova Commerciale Imballaggi, a subsidiary of the Italian Simmenthal group, controlled by General Foods.
Dr Hahn said VW had been able to develop Audi to the point where the brand could stand alone in the U.S. with its own dealer network. There would be a significant increase in exports of Audi cars to the U.S. from Germany this year to compensate for the loss of the Porsche business.
Sales of the new Audi 100, sold as the Audi 5000 in the U.S., doubled in the first two months of this year compared with January and February 1983.
In Western Europe, although the new Golf was not available in all markets, deliveries improved by 3 per cent to 101,000 in the two month period.

Norsk Hydro and Nestlé in joint bid for cracker

BY FAY GJESTER IN OSLO
NORSK HYDRO, the Norwegian industrial and energy concern, and Nestlé of Finland have made a joint bid for Esso Chemical's ethylene cracker at Stenungsund, Sweden, in which Statoil, Norway's state oil company, is considering buying a 50 per cent stake.
Esso Chemical offered Statoil a half share in the cracker about a month ago, and the state-owned firm has said it will decide before the end of this year whether to accept the offer.
Hydro and Nestlé would like to buy the whole cracker between them, in order to use its products as feedstock for petrochemical plants which they are acquiring in the Stenungsund district. The partnership envisaged would give Hydro a 20 per cent stake and Nestlé 80 per cent, corresponding to their future uptake of feedstock from the facility.
Hydro, which partners Statoil at Norway's new petrochemical complex in Rafnes, eastern Norway, has completed negotiations to provide the 110,000 tonnes a year Swedish PVC operations of Kema-Nobel, also located at Stenungsund.
Swedish Government approval of the Nkr 430m (\$58.8m) deal was announced a fortnight ago. The only details still to be settled concern Kema-Nobel's application for exemption from tax on its profits from the sale.
When this has been settled, Norsk Hydro will formally take over the Swedish facilities, which employ 400 people, have turnover of about SKr 550m (\$70.5m) annually, and include associated plants for producing chlorine, vinyl chloride and sodium lye.
Nestlé, meanwhile, has concluded a deal - not yet approved by the Swedish authorities - to acquire Unifos, a petrochemicals factory in Stenungsund, owned jointly by Kema-Nobel and Union Carbide of the U.S.
These takeovers are part of an extensive restructuring taking place in Europe's petrochemical industry. Statoil's interest in the Stenungsund cracker - believed to have a price tag of several hundred million krona - reflects its belief that the acquisition could benefit Norwegian petrochemicals operations by strengthening its position on the Swedish market. Statoil has a majority stake in the Norwegian complex.

Swedish oil group merger plan

BY DAVID BROWN IN STOCKHOLM
SVENSKA PETROLEUM (SP), the wholly state-owned Swedish oil group, and OK, the oil co-operative, will seek closer ties and possibly a merger under a broad government energy plan submitted by Sweden's Energy Minister.
The Government will oversee negotiations that could lead to the formation of a new domestic oil company which would be the strongest on the Swedish market, controlling up to 24 per cent of petrol and 30 per cent of fuel oil sales.
Under the package the Government will extend an SKr 214m (\$27.2m) capital injection to SP, which lost about SKr 35m last year.
And about SKr 540m will be given to SP for new offshore energy exploration in the North Sea.
The plan calls for a gradual cut of up to 20 per cent in the strategic oil reserve, worth about SKr 5bn, to correspond with the expected reduction in Swedish oil consumption in the next three years. Consumption has fallen more than 30 per cent in the past five years, and the measure has been welcomed by private producers.
Ms Brigitta Dahl, the Energy Minister, said: "Deeper co-operation between SP and OK could lead to the state either partly or wholly selling its shares in SP."
SP had turnover of SKr 6.6bn on volume of 4.4m cubic metres of mainly heating oil in 1983. It recently bought 121 retail petrol outlets formerly owned by Finas, the Swedish subsidiary of the Belgian Petrofinas group, which has a 2.5 per cent market share with 120,000 cubic metres in annual volume.
OK is set to expand its production at a new cracking plant and has been bidding for a bigger share of the domestic petrol market.
As an initial step, SP will invite OK to buy up to 10 per cent of its new shares in the Finas petrol chain.

New Issue
This announcement appears as a matter of record only. February 23rd 1984
U.S. \$ 400,000,000
EDF
ÉLECTRICITÉ DE FRANCE
Floating Rate Notes Due 1999
Unconditionally guaranteed by
The Republic of France
BANQUE NATIONALE DE PARIS
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Crédit Commercial de France
Dai-ichi Kangyo International Limited
Goldman Sachs International Corp.
Lehman Brothers Kuhn Loeb International, Inc.
Samuel Montagu & Co. Limited
Morgan Stanley International
Salomon Brothers International
Sumitomo Finance International
Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
County Bank Limited
Crédit Lyonnais
Dresdner Bank
Kredietbank International Group
Merrill Lynch Capital Markets
Morgan Guaranty Ltd.
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Commercial Paper Program

for

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MORGAN STANLEY & CO. Incorporated

March 1, 1984

Hitachi to invest more in chips

TOKYO — Hitachi, the electrical and electronics company, is to raise group capital spending for its semiconductor divisions from ¥70bn in 1983-84 to ¥110bn for the year to March 1985.

Swiss Bank Corporation lifts profit and dividend

By JOHN WICKS in ZURICH

SWISS BANK Corporation is to increase its dividend from SwFr 10 to SwFr 11 per share and participation certificate.

An important contribution to the bank's overall increase in earnings was a 19.5 per cent improvement in net commission income to nearly SwFr 745m.

decline in income from this sector.

Like the other banks, SBC recorded a substantial increase in losses, depreciation and provisions by 16.9 per cent to SwFr 422.6m.

Australian oil groups hit by fall in demand

By Lachlan Drummond in Sydney

AUSTRALIA'S two publicly quoted oil groups have shown the effects of highly-competitive market conditions in their latest results, with Calteck Australia reporting a A\$73.63m (U.S.\$49.7m) pre-tax loss for the year to December 31 and Ampol reporting a 29 per cent downturn to profits of A\$27.2m before tax for the six months to December.

Downturn for Bridgestone Tire

By OUR TOKYO STAFF

BRIDGESTONE TIRE, the largest tyre manufacturer in Japan, has reported lower parent company net and pre-tax profits despite an increase in sales.

rose by 5 per cent to account for just over 83 per cent of the total. Exports accounted for just under one-third of sales.

31 per cent in parent company pre-tax profits for 1983. Net profits fell by 11 per cent to ¥552m, but the company is maintaining its dividend at ¥3 for the year.

French groups seek funds on bourse

By OUR FINANCIAL STAFF

SEVERAL state-owned French industrial groups, seeking funds to expand but under cash pressure because of the tight government budget, are exploring raising equity funds for their subsidiaries on the Paris Bourse.

the other companies taken over in 1982 which are pursuing plans to approach the capital markets in this way.

North American quarterly results

Table with columns: Months quarter, 1983, 1982. Rows include Revenue, Net profits, Net per share for various companies like H. LOWENSTEIN, DR PEPPER.

Hainanese plan merger of Supreme and Textile

By WONG SULONG IN KUALA LUMPUR

MALAYSIA'S SMALL but clannish Hainanese community which originates in Hainan Island, South China, has announced a major restructuring exercise involving the merger of two publicly-listed listed companies under its control, Textile Corporation and Supreme Corporation.

taken-up Textile's paid-up capital would rise from 14.8m ringgit to 143m ringgit.

Enskilda Securities Skandinaviska Enskilda Limited is pleased to announce that Nicholas Rostkowski Director is now located at 16 Place Vendôme, F-75001 Paris Telephone: (331) 260 9087.

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any shares.

AMERITECH AMERICAN INFORMATION TECHNOLOGIES

American Information Technologies Corporation

(Incorporated with limited liability under the laws of the State of Delaware, United States of America)

Authorized 300,000,000 Common Shares of U.S. \$1.00 par value 106,641,203

American Information Technologies Corporation is the holding company for Bell telephone operating companies in Illinois, Indiana, Michigan, Ohio and Wisconsin. It also owns Ameritech Mobile Communications, cellular mobile radio service; Ameritech Development Corporation, new business ventures; Ameritech Communications, communications equipment marketing; and Ameritech Publishing, Yellow Pages advertising.

The Company began operations on 1st January, 1984 with assets totalling nearly U.S.\$17 billion. Forecast revenues for 1984 are U.S.\$8.3 billion. Forecast net income for 1984 is U.S.\$923.7 million, resulting in an earnings-per-share estimate of U.S.\$9.47.

The Council of the Stock Exchange has admitted to the Official List all the 106,641,203 shares of common stock of American Information Technologies Corporation issued and reserved for issue.

Particulars relating to American Information Technologies Corporation are available in the Extel Statistical Service and copies of such particulars, together with copies of the Information Statement and Prospectus referred to above, may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 15th March, 1984 from:—

- S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB
Goldman Sachs International Corp., 162 Queen Victoria Street, London EC4V 4DB
Phillips & Drew, 120 Moorgate, London EC2M 6XP

1st March, 1984

LIBRA BANK LIMITED

EXTRACTS FROM AUDITED ACCOUNTS

Year ended 31st December

Table with columns: 1981, 1982, 1983. Rows include CAPITAL AND RESERVES, SUBORDINATED LOANS, CASH AT BANKS, MONEY AT CALL AND SHORT NOTICE, CDS, GOVERNMENT SECURITIES, LOANS, TOTAL ASSETS, PRE-TAX PROFITS.

HIGHLIGHTS FROM STATEMENT BY THE MANAGING DIRECTOR

- Paid in capital increased to £50 million
• Substantial additional provisions were again made this year
• Pre-tax profit £31 million
• A New York Agency to be opened early in 1984
• Interest not received on due date is not taken into profits and accruals cease until interest received in cash. This policy, applied since the Bank's inception, had more impact in 1983
• Net Worth of the Bank increased to £78 million

- Shareholders: The Chase Manhattan Bank, N.A., Swiss Bank Corporation, Bancomer S.N.C., The Royal Bank of Canada, Westdeutsche Landesbank Girozentrale, Credito Italiano S.p.A., National Westminster Bank PLC, The Mitsubishi Bank Limited, Banco Espírito Santo e Comercial de Lisboa, Banco Itaú S.A., Banco Espírito Santo e Comercial de Lisboa

Bastion House, 140 London Wall, London EC2Y 5DN

Société Générale



U.S. \$250,000,000 Floating Rate Notes 1990/1995

For the six months 1st March, 1984 to 4th September, 1984 the Notes will bear an interest rate of 10 1/4% per annum and the coupon amount per U.S. \$100,000, will be U.S. \$5,584.03.

Agent Bank Samuel Montagu & Co. Limited

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on 27th February 1984, U.S. \$96.52

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS PER 28 FEBRUARY 1984

Table with columns: Today, INDEX Last week, % High, % Low, Year's. Rows include US\$ Eurobonds, DM (Foreign Bond Issues), HLF (Bearer Notes), Cans Eurobonds.



BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.

U.S. \$350,000,000 Guaranteed Floating Rate Notes due 2004

Notice is hereby given that the Rate of Interest for the interest period from 2nd March, 1984 to 4th September, 1984 is 10 1/4% per annum and that on 4th September, 1984 the amount of interest payable in respect of each U.S. \$5,000 principal amount of the Notes will be U.S. \$772.86.

1st March, 1984 Barclays Merchant Bank Limited Agent Bank



Mitsui Finance Asia Limited

U.S.\$100,000,000 Guaranteed Floating Rate Notes 1996 Unconditionally guaranteed as to payment of principal and interest by

The Mitsui Bank, Limited

In accordance with the terms and conditions of the Notes, notice is hereby given that for the six months interest period from 1st March, 1984 the Notes will carry a rate of interest of 10 1/4% per annum. The relevant Interest Payment Date will be 4th September, 1984. The Coupon Amount per US\$10,000 will be US\$548.66.

Hambros Bank Limited Agent Bank

Handwritten text in Arabic script: كذا كذا كذا

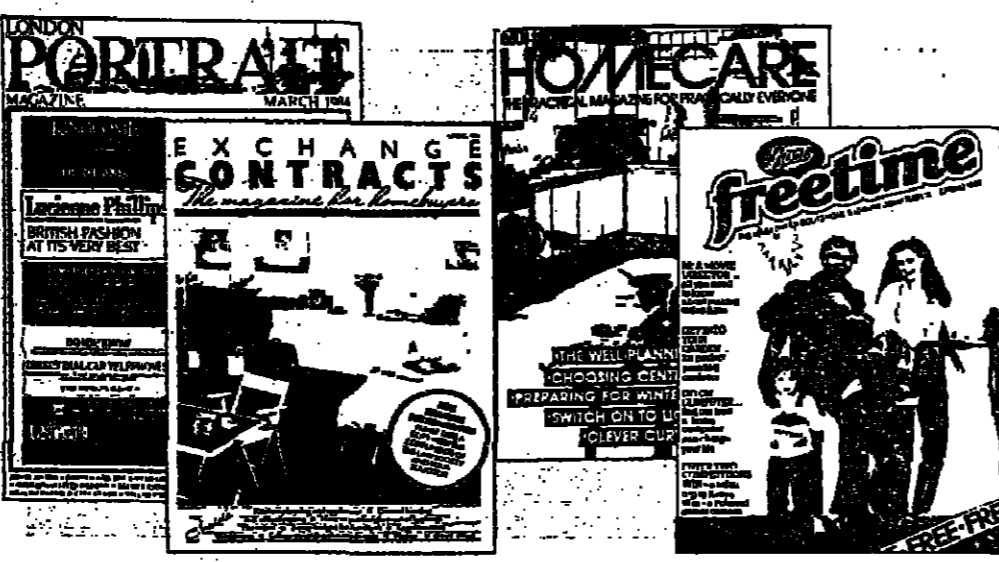
THE MANAGEMENT PAGE: Marketing

CALLING UP Britain's marketing managers, who control a brand spending more than £1m a year, you're more likely to see a television commercial than a magazine advertisement. From this month you, and 300 like you, will be on the receiving end of a moving picture show, unsolicited and backless. For this is the way the country's first marketing video magazine, calling itself Marketing TV, plans to hook its audience. (Those not sent a free monthly tape will be able to buy it.)

The idea is to feed marketers with a lively diet of visual news, gossip, at their leisure, on both the advertising and marketing fronts. The tapes, each 25 minutes long, will have a majority of editorial matter with four advertisement spots in which agencies and media owners have to sell themselves. Editorial content will include product launches, campaign stories, agency information and people profiles. The editor, Margaret Patrick, advertising correspondent of the London's evening newspaper, will use professional presenters and the traditional TV magazine format.

MTV is the latest in a long line of bright ideas from Home & Law magazines. But unless you are a patron of Texas Instruments, a TSB saver, a Boots or Co-op shopper or you have bought a house lately, there is probably a name new to you. Yet this small publishing house, which has made a habit in its six years of breaking new ground, is showing the traditional magazine world a thing or two.

Home & Law already has six quarterly magazines in its stable; MTV is the latest and another — which the company claims is a breakthrough in that it is being produced for a government body — is due to appear in three weeks time. The Ladbrooke Group has just bought out the original backers,



Broadening product range in 'free' media market

BY FEONA MCEWAN

Whatever you call them, giveaway magazines — especially of the glossy variety — are booming as never before. Their success is rooted in the ability to target their audience and then guarantee delivery of that audience — both factors of instant appeal to advertisers. The Acorn census-based system of classifying households by socio-economic status, has played an important role here.

"Where we score is guaranteeing the quality of audience," says Philip Davies, managing director of Home & Law, "so the advertiser knows exactly who he's reaching and there's no waste."

How you distribute and to whom is the first skill," says Peter Carvell, editor of the glossy London Portrait monthly magazine which, at three years old, is a pioneer of its type; its 70,000 copies are pushed through the letter-boxes of central London 13 homes worth £100,000 and more.

Distribution has certainly been Home & Law's trump card, with unlikely outlets like retailers and solicitors as prime giveaway points; Homecare, Superstore, Freetime and The

Look (all home, leisure and fashion interest magazines) are handed out at Texas d-4y, Co-op, Boots and the Burton group stores, respectively. Exchange Contracts (for home buyers) is available at solicitors' offices and Trust Card magazine is mailed to holders of the TSB credit card.

Circulation figures range from 0.25m to 0.75m. The decision to aim MTV at marketing managers with budgets of more than £1m effectively covers some 600 brands. Home & Law eventually hopes to make MTV available in the US.

That there are any gaps left in such a saturated market as magazines is a mystery to observers of today's news-stands, but Davies and his team continue to spot them. Only one idea has failed in the six years. One of the firm's first rules is to maintain certain standards: there's never less than 50 per cent of editorial matter and the layouts are always hung up to date. Home & Law considers its competition to be the paid-for magazines. The company thinks there is no competition for MTV, however.

While as yet there are comparatively few publishers of free magazines, free newspapers are well established. Membership of the Association of Free Newspapers, which was established in 1980, has grown from 200 to 560. What is more, revenue projections of regional free sheets for 1984 are expected to exceed £300m, more than the paid-for weeklies.

Now the Association of Free Newspapers, which sees the Ad Glossy magazines as a new growth area, is planning to set up the equivalent association for magazines. In its definition there are some 28 such magazines now circulating.

IPC and National Magazines had better watch out.

Ulster TV advertising

In search of percentages

BY RAYMOND SNODDY

WHEN Ulster comedian Frank Carson appears on Channel 4 tomorrow night it will be no laughing matter.

The comedian whose catchphrase is "It's the way I tell 'em" will be telling them very straight indeed in an advertising campaign designed to win a higher share of national advertising revenue for Ulster Television.

For Ulster TV, which is untypical in its reliance on advertising revenue, has an intractable marketing problem. Despite having consistently the highest ratings in the ITV system — sometimes delivering to 60 per cent of all homes with television in Northern Ireland — it has the lowest proportion of advertising revenue as a percentage of the ITV homes it covers.

So Ulster has turned to advertising on Channel 4 using Frank Carson to try to overcome the disadvantage of being at the geographical periphery of the UK, compounded by its image of violence and industrial dereliction.

Frank's commercial message is that people in Northern Ireland spend more on food, clothes and energy and that "life goes on and business goes on — profitably."

"If you're the kind of businessman who lets headlines talk you out of making money which one is the comedian, you or me? Judge us by the facts," says Frank.

The commercial is part of a £150,000 marketing campaign by Ulster Television in its 25th anniversary year to try to win what it regards as a fairer share of the UK television advertising cake.

The facts can be spelled out in deceptively small numbers. Northern Ireland has 2.7 per cent of the UK population, 2.3 per cent of TV homes but only 1.5 per cent of total television advertising.

The solution comes in even smaller numbers. Each tenth of one per cent of net advertising revenue will probably be worth nearly £1m this year.

"If only we could get our share up to 1.7 per cent it would certainly make an enormous amount of difference," says Desmond Smyth, the new managing director and, at 33,

the youngest chief executive in the ITV network.

The campaign aimed at nudging up Ulster's share of the advertising spend is being spearheaded by Peter Battle, a former joint managing director of Television South West who joined Ulster as sales director in November.

He has already added 10 people to the London sales team and started to tackle some of the UK industries whose advertising in Northern Ireland is low.

His first target was the toy makers. At the Earls Court Toy Fair in January, 16 of the largest toy manufacturers were



Frank Carson: "Which one is the comedian?"

brought together with the top 30 toy buyers from Northern Ireland and some inconvertible discrepancies were presented.

Although the Ulster area has 3.3 per cent of children whose parents watch ITV it took only 1.2 per cent of television toy advertising.

Ulster TV points out that other areas of spending in the children's market are also buoyant, with soft drinks spending accounting for 3.2 per cent of the UK total and infant clothing 5 per cent.

The campaign began today with a champagne breakfast for top media directors of advertising agencies and the media managers of major clients.

Between the bacon and the Bucks Fitz Peter Battle tried to persuade his audience to

have another look at the Ulster marketplace. He demonstrated household expenditure figures which show significantly higher than average spending for products such as baked beans, tinned soups, wrapped bread and tinned biscuits.

Peter Battle also points out that branded goods still make up 94 per cent of the Northern Ireland market compared with 50 per cent in Great Britain.

More surprisingly, in the first 10 months of 1983, according to the Society of Motor Manufacturers and Traders, Northern Ireland took a 3.7 per cent share of the new car market. For more expensive cars it was even higher — 4.9 per cent for Mercedes-Benz for example.

Peter Battle is convinced there is no justifiable reason why Ulster's advertising performance should trail so far behind its rating and believes the advertising percentage can be pushed up towards 1.65 per cent this year.

Harold Lind, a consultant for AGB Research, believes that Ulster — and therefore Ulster television — just does not enter the thoughts of a significant number of advertisers. "In many areas Ulster has a bloody good story to tell," Harold Lind believes.

Even without what it believes is its "fair" share of national advertising Ulster is a profitable company. It produced television operating profit of £208,166 on a turnover of £11,379,255 in the year to July and the share price has moved from 67p last year to an all-time high of 136p at the moment.

Partly from necessity Ulster has had to make a major effort in its home market and now around 30 per cent of revenue comes from local advertising — and 40 per cent of that from the Irish Republic.

The attack on the national advertising market is part of a longer term strategy to raise the company's profile nationally in both programme and advertising terms and move into the new technologies of cable and satellite.

Ulster Television is a member of the consortium which won the multi-channel cable franchise for Belfast. Such developments and a growing number of co-productions will be overseen by Dr Brum Henderson, the chairman.



A CONFERENCE demonstrating how new technology can be of practical use in the flourishing sector of financial services is to be held on March 29 at the Chiswick Rooms, London, W4.

Speakers will include Mark Weinberg of Allied Hanover Financial Management, Wally Oshes of Wally Oshes & Nigel Seale of British Research, Humphrey Metgen of Oracle

John Clemons of AGB Cable and Viewdata, and John Ferris, media director of Saatchi and Saatchi.

Chaired by Professor Ehrenberg, professor of marketing at the London Business School, topics under discussion will include use of video, growth of information services, computer systems and the media package.

Details from the Marketing Conferences, Mappin House, 156-162 Oxford Street, London W1 (01-637 7438).

TALK about the harmonisation of trading practices among EEC member countries has been rambling on for so long now that a feeling of "it won't ever affect me" is rife among many advertisers.

The Incorporated Society of British Advertisers, which has been close to the negotiations on the advertising and publicity directive since they began in the mid-1970s, claims that the odds are on the directive becoming law this year. Theoretically this could be tomorrow when the consumer ministers next meet. "Areas of disagreement though important — are new criteria," says Ken Miles, the ISBA's director.

What this means is that advertisers will need to keep a weather eye on developments. "Put it this way," says Miles, "if you don't take note and your competitors do, you could find yourself at a disadvantage."

"The legislation is just as

appropriate to the maker of computers and office equipment as cosmetics and beer," says Paul de Wit, director general of the International Union of Advertisers Association. He will be spelling out the implications of the EEC directive to business-to-business advertisers in April at the World Industrial Advertising Congress in Paris.

For the industrial marketer any directive would affect areas like product literature, exhibition material and direct mail as well as TV and press advertising.

Claims made in advertisements have so far received little attention among EEC nations though considerably more has been given to criteria, for instance, on such

COMPANY NOTICES

APEX CORPORATION
(Incorporated in Luxembourg)

NOTICE OF EXTRAORDINARY MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Corporation will be held at 2.00 p.m. on 29th March 1984 at 2.00 p.m. for the following purposes:

- To consider and adopt the following special resolution which will have effect in relation to the Articles of Incorporation:
"Resolved that the share presently registered in the name of the Corporation be transferred to the name of the shareholder named in the list of shareholders attached hereto and that Article 3 of the Articles of Incorporation be amended accordingly."
- That the shareholders of the Corporation be and they are authorised to be validly constituted for the purpose of passing the following resolutions:
1. To alter the Memorandum of Association and Articles of Association of the Corporation in accordance with the provisions of the Companies Act, 1980 as amended and to do all such other things as may be necessary or expedient for the purpose of giving effect to the above resolution.
- To grant discharge to the directors, officers and committees in respect of the business of the Corporation since the last meeting of the shareholders on 30th September 1983.
- To consider and approve the allocation of legal reserves.
- To consider the payment of a dividend.
- To grant discharge to the directors, officers and committees in respect of the business of the Corporation since the last meeting of the shareholders on 30th September 1983.
- To consider and approve the financial statements of the Corporation for the year ended 31st December 1983.
- To consider the appointment of a new auditor.

By Order of the Board
50 Route D'Esch, Luxembourg
29th February, 1984.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Corporation will be held at 3.00 p.m. on 11th April 1984 at 3.00 p.m. for the following purposes:

- To receive and consider the report of the directors, auditors and committee of the Corporation for the year ended 31st December 1983.
- To elect the directors and committees for the year ending 31st December 1984.
- To consider and approve the allocation of legal reserves.
- To consider the payment of a dividend.
- To grant discharge to the directors, officers and committees in respect of the business of the Corporation since the last meeting of the shareholders on 30th September 1983.
- To consider and approve the financial statements of the Corporation for the year ended 31st December 1983.
- To consider the appointment of a new auditor.

By Order of the Board
50 Route D'Esch, Luxembourg
29th February, 1984.

HIGSONS BREWERY PLC

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Article 20 of the Corporation's Memorandum of Association and Articles of Association, a meeting of the Corporation will be held at 2.00 p.m. on 14th March 1984 at 2.00 p.m. for the following purposes:

- To consider and approve the financial statements of the Corporation for the year ended 31st December 1983.
- To elect the directors and committees for the year ending 31st December 1984.
- To consider and approve the allocation of legal reserves.
- To consider the payment of a dividend.
- To grant discharge to the directors, officers and committees in respect of the business of the Corporation since the last meeting of the shareholders on 30th September 1983.
- To consider and approve the financial statements of the Corporation for the year ended 31st December 1983.
- To consider the appointment of a new auditor.

By Order of the Board
127 Dale Street, Liverpool, L2 2JL
1st March 1984.

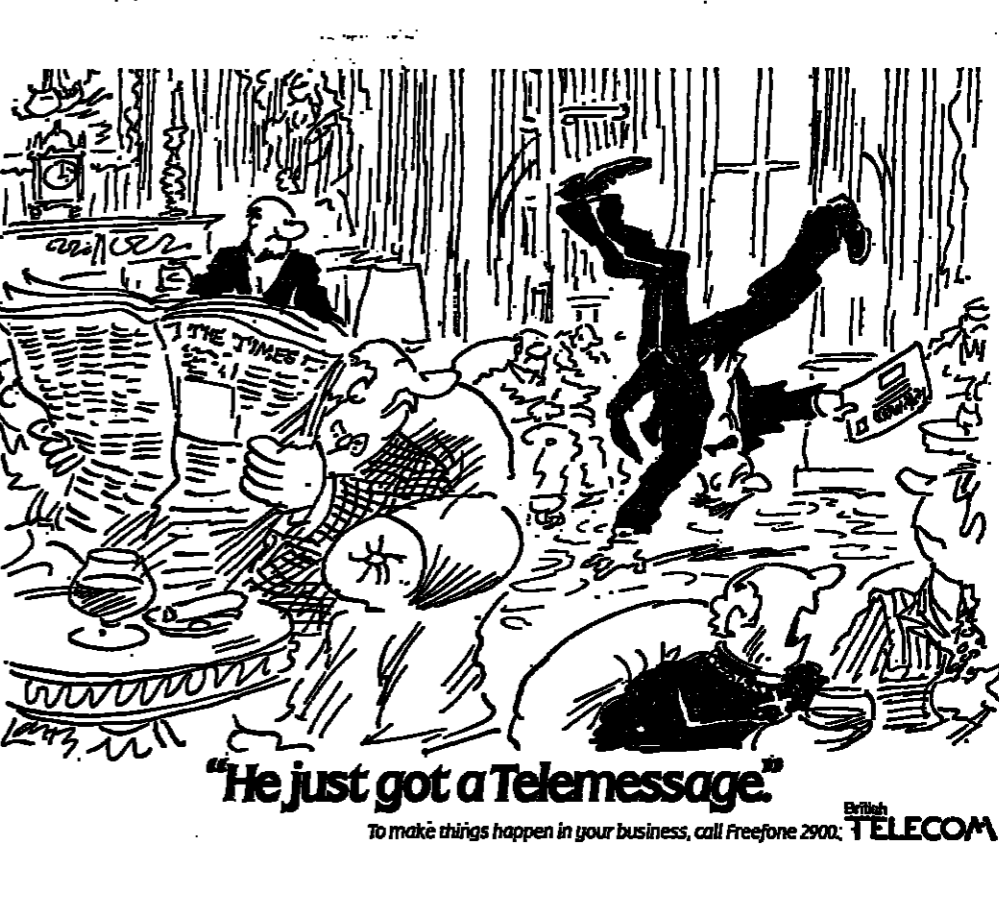
LOMBARD INTERNATIONAL FINANCE N.V.

U.S. 12 PER CENT BONDS 1985

Guaranteed by

LOMBARD PUBLIC LIMITED COMPANY

NOTICE IS HEREBY GIVEN to bondholders of the U.S. 12 Per Cent Bonds 1985 (the "Bonds") that the Annual Report and Accounts of Lombard International Finance N.V. and of Lombard Public Limited Company for the year ended 31st December 1983 will be made available to bondholders at the registered office of Lombard International Finance N.V., 138 Cheapside, London EC4V 6SL.



Survey rates Euromoney as Europe's top financial magazine

MARKET LEADER

In publishing, there's only one verdict that matters. The readers.

That's why the new readership survey of Euromoney bankers and equity investment managers is so important.

The people who matter to the international financial advertising industry. The senior executives who read tommorrows or new issue announcements.

The people who manage new international bond issues: last year they raised nearly \$30 billion for borrowers across the globe. The senior managers who arrange and manage international syndicated loans: last year they provided \$93 billion of new financings.

The people who manage enormous international equity portfolios: exactly the executives that international corporate advertisers must reach.

We're proud to tell you the results of this vital readership survey. Quite simply, Euromoney emerges as the top financial magazine.

	Total	Equity Market Executives	Euromarket Executives
Euromoney	64%	53%	76%
Institutional Investor - Int. Edition	55%	52%	59%
Business Week	42%	47%	38%
The Economist	50%	50%	50%
Financial Times	79%	77%	81%
International Herald Tribune	54%	56%	53%
Wall Street Journal/Europe	50%	58%	44%

Source: Euromoney Financial and Investment Specialist Joint Survey Research Services Ltd, January 1984. For further information contact your Euromoney representative or Ian Richards at Euromoney in London.

Euromoney Executives: all respondents with main responsibility for international finance (corporate management, arbitrage dealing, currency trading), management, foreign exchange dealing/management, new issue, loan syndication, project finance, trade finance, corporate finance, correspondent banking.

Euromoney is paying no attention to a share market.

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EUROMONEY

The Journal of the World's Capital and Money Markets

Euromoney Publications Ltd., Nestor House, Playhouse Yard, London EC4V 5EX

Telephone: 01-236 3288 Telex: 8814985/6 EURMONG

Fourth quarter boosts GA to £65.6m

A GOOD fourth-quarter performance put the seal on the recovery in 1983 of the General Accident Group from the very poor results of the previous year. Pre-tax profits in 1983 rose nearly 50 per cent from £44.5m to £65.6m, with profits in the final quarter doubling from £10.9m to £21.3m.

£20.6m to £18.6m, despite a rise in the number of claims. Losses on the Homeowner's business dropped slightly to £11.8m, but the improvement in bad weather losses was offset by a sharp rise in theft claims and the underwriting experience was much worse.

HIGHLIGHTS

Lex looks at the full-year figures from General Accident where the market was pleasantly surprised yesterday after the disappointing showing at the third-quarter stage. The shares responded with a 7 1/2% rise to 400p, endorsing the encouraging underlying trend.

Johnson Matthey hit by interest charges

THIRD-QUARTER pre-tax profits of Johnson Matthey Group, precious metal refiner, banker, commodity dealer, insurance broker, improved from £10.4m to £10.6m, but the figure for the nine months ended December 31 1983 was £24.1m lower from a restated £28.5m to £28.8m.

Marley profits more than doubled with strong UK advance

MORE THAN doubled taxable profits of £28.15m, against £12.07m, were achieved by Marley in 1983. UK operating profits were 70 per cent higher at £29.05m with most companies increasing their profits. And, the net gain was further boosted by the disposal of lost makers.

Berisfords profit trimmed to £728,000 for 54 weeks

AFTER HIGHER interest and exceptional expenditure, taxable profits of ribbons, trimmings, labels manufacturer, Berisfords Group were down to £728,000 for the 54 weeks ended December 2 1983, against £906,000 for the previous 52 weeks.

Wm. Jackson ahead despite bakery trouble

Continued disappointing performance by William Jackson and Son's bakery division affected profit for the half year to October 28. Despite this the pre-tax figure was up by \$61,000 to \$259,000.

CAI recovers to over £3m and doubles interim to 2p

Cope Allman International maintained its recovery through opening six months of the current year and in view of the group's prospects the directors are doubling the interim dividend to 2p per share.

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange and is not an invitation to any person to subscribe for or to purchase any share capital of the Company.

Baring Brothers & Co, Limited (Registered in England - No. 32813) 1,500,000 7/8 PER CENT. CUMULATIVE PREFERENCE SHARES OF £1 EACH. Application has been made to the Council of the Stock Exchange for the 7/8 per cent. Cumulative Preference Shares of £1 each to be admitted to the Official List.

Cope Allman International P.L.C. Highlights of the half year ended 31st December 1983. The Interim Results show a continuation of the recovery trend. Profit before interest and tax: 4,927 (1982) 1,380 (1983). Profit (loss) before tax: 3,284 (882). Profit (loss) after tax: 2,564 (993). Earnings (loss) per share: 6.45p (2.52p). Interim dividend per share (net): 2p (1p).

comment The attentions of Messrs Ashcroft, Wickens and others have surrounded the minds of Cope Allman's management wonderfully. In the past year, the group has shed 300 of its 5,000 employees, axed its entire divisional management structure and shifted into a smaller head office, which should trim overheads by around £100,000 in the current 12 months.

Coleman Milne continues increase and earns £0.5m

STRUCK AFTER interest payable this time of £77,000, against interest receivable of £11,000, Coleman Milne pushed pre-tax profits for 1983 up from £418,000 to £525,000. Turnover for the 12 months expanded by £15.1m to £5.8m. Operating expenses were higher at £5.23m against £3.89m.

Robertson Research

Robertson Research Holdings, a geological and natural resources service company, plans to come to the Stock Exchange towards the end of the month. Dr Robin Cummings, the chairman, a former Glasgow University geology lecturer, and Dr William McBrown, the group chief executive, a former petroleum geologist at Shell, set up the company in 1967.

DIVIDENDS ANNOUNCED

Table with 4 columns: Company Name, Current Dividend, Date of Payment, and Corresponding Dividend from Previous Year. Includes Aquila Securities, Coleman Milne, Cope Allman, Edmond Higgs, Gen Accident, Heywood Williams, Foyezing, Olives Panner, and VW Thermax.

VW Thermax profits fall to £903,000 at halftime

BOTH sales and profits have fallen at VW Thermax, the USM company with interests in sheet metal fabrication, machine tooling, precision engineering and toolmaking for the six months ended December 31, 1983. Sales fell from \$9.1m to \$8.5m while profits at the pre-tax level amounted to \$903,000, compared with \$1.3m last time.

GESTETNER HOLDINGS PLC

NOTICE OF MEETING Notice is hereby given that the Annual General Meeting of Gestetner Holdings PLC will be held at 10.00 a.m. on 19th March 1984 at Gestetner House, 210 Euston Road, London, NW1, for the purposes of: RESOLUTION 1 To receive and adopt the report and accounts...

Granville & Co. Limited

Over-the-Counter Market table listing various stocks with columns for Company Name, Price Change, Gross Yield, and Fully Paid Dividend. Includes 142 120, 158 117, 38 21, 320 141, 180 120, 200 197, 180 120, 249 100, 59 42, 200 75, 167 75, 59 42, 38 21, 59 42, 121 81, 242 169, 345 278, 178 107, 120 64, 444 386, 60 60, 52 65, 276 236.

Public Works Loan Board rates

Table showing Public Works Loan Board rates for effective February 29. Columns include Years, Quoted loans repaid, and Non-quoted loans repaid. Rates range from 10% to 11% for various terms.

UK COMPANY NEWS

MINING NEWS
CRA recovers and earns £46m

BY GEORGE MILLING-STANLEY

THE LOWER level of the Australian dollar, improvements in some metal prices and the wage freeze in Australia, all contributed to a sharp turnaround from loss to profit at CRA last year.

The big mining group, owned as to 62.9 per cent by Rio Tinto Zinc, returned attributable profits for 1983 of £46.0m (£46m), compared with a 1982 loss of £11.3m (£11.3m).

Heywood Williams beats forecast with 177% jump

COMPARED with a forecast of £2m, Heywood Williams Group, manufacturer and supplier of building materials, turned in taxable profits of £2.35m for 1983. This is against a previous forecast of £1.2m (£1.2m).

BOARD MEETINGS

Table listing board meetings for various companies including Link House Publications, British Petroleum, and others, with dates and locations.

FUTURE DATES

Table listing future dates for board meetings for companies like AAH, Bery Trust, and others.

Unigroup may re-enter dividend list this year

DURING THE six months to end-December, 1983 Unigroup continued to progress and pushed its pre-tax profits for the period from £1,900 to £25,600.

Edmond Hldgs. tops forecast with £620,000

A turnaround from pre-tax losses of £2.12m to profits of £620,000 has been achieved by Edmond Holdings for the year to the end of December.

Uranium lifts Peko

THE CONTINUED success of the Ranger uranium mine in Australia's Northern Territory was the main reason for Peko's recovery in profits of Peko-Waitara in the six months to the end of December.

Hollis Bros. back in profit

A TURNAROUND of £1.79m to pre-tax profits of £13,000 has been shown by Hollis Bros & Co. for the nine months to the end of 1983.

Northgate to sell bulk of holding in Whim Creek

CANADA'S Northgate Exploration plans to raise C\$24m (£13.2m) through a series which will effectively bring about the Australian majority ownership of the Whim Creek Consolidated gold producer.

General Accident RESULTS FOR 1983

Table showing audited accounts for 1983, including Premium Income, Profit and Loss Account, and Analysis by Territory of General Business Premium Income and Underwriting Results.

Analysis by Territory of General Business Premium Income and Underwriting Results

Table comparing premium income and underwriting results for U.K., U.S.A., EEC other than UK, Canada, Australia, and Others for 1983 and 1982.

Net written premiums and investment income increased in sterling terms by 13.1% and 8.7% respectively. After excluding the effects of currency fluctuations, the increases were 8.3% and 5.2% respectively.

Underwriting

In the fourth quarter there was an underwriting loss of £15.0m (1982 £20.1m loss) in the U.K. and a loss of £8.1m (1982 £7.2m loss) in the U.S.A.

Life Department

There was an increased contribution to profit and loss account from our long term funds, which also reported record new business production as follows:

Table showing New Life and Annuity Premiums for 1983 and 1982.

Final Dividend for the Year Ended 31st December 1983

The Directors have decided to recommend to the Shareholders at the Annual General Meeting to be held in 2nd May 1984, the payment of a final dividend on the Ordinary Shares of 11.0p per share making a total distribution for the year of 19.0p per share (1982—17.0p per share).

29th February 1984
General Accident Fire & Life Assurance Corporation plc
World Headquarters: Pirbright, Perth, Scotland PH2 0NH

BFG Finance Company B.V. U.S. \$100,000,000 FLOATING RATE NOTES DUE 1996

Citicorp Overseas Finance Corporation N.V. U.S. \$120,000,000 Guaranteed Floating Rate Notes due 1984

SOCIETES DE DEVELOPPEMENT REGIONAL \$30,000,000 15% per cent. Guaranteed Bonds 1982

CITIBANK U.S. \$250,000,000 Floating Rate Notes due 1999

Robert Horne The offer for sale of 10 per cent of the shares of the Robert Horne Group was oversubscribed nearly nine times.

Vertical text on the left margin: S move with vance, arch 1 1984, offits fall, NGS PLU, Board rates

BIDS AND DEALS

ICI and Wellcome in animal health deal

By Carla Rapoport
Imperial Chemical Industries and the Wellcome Foundation are merging their international animal health divisions and creating a new company, Coopers Animal Health.

The new group will have annual sales around £200m and will rank among the top five animal health companies in the world.

"We reckon this gives us a stake in what is a big international company in the animal health field," said an ICI spokesman yesterday. ICI's animal health operations will contribute about 30 per cent of the new group's sales.

As a result, the deal involves a cash payment by ICI to Wellcome, but neither company would reveal the exact amount. Wellcome, a charitable trust, is one of Britain's major pharmaceutical companies.

According to the agreement between ICI and Wellcome, a major group of companies will be formed under the Cooper's name, the largest of which will be a UK-based company to control operations worldwide, except Australia and New Zealand.

The UK company, which will be based in Berkshire, Herts, will be 51 per cent owned by Wellcome and 49 per cent owned by ICI.

The new chief executive of Coopers will be Dr Ronald Cresswell, currently a board member of Wellcome.

ICI and Wellcome said yesterday that the new company will aim to merge the two companies' research, production and marketing interests, aiming at international expansion and product development.

H. Samuel in agreed £29m cash bid for James Walker

By CHARLES BATCHELOR
H. Samuel, the High Street jeweller, is to make an agreed £29m cash bid for James Walker in a deal which would create Britain's largest jewellery chain with 410 shops and a combined annual turnover of at least £100m.

A merger of the two companies would strengthen Samuel's presence in the more affluent south-east of England where Walker's 110 shops are based. Samuel is based in Birmingham and has 60 per cent of its 300 stores in the Midlands and the North.

Mr Tony Dignum, managing director of H. Samuel for the past six months, said: "We looked at the choice of jewellery chains available and we reckoned that Walker was the best fit for us."

Samuel accompanied his bid announcement with a forecast that pre-tax profits for the year ended January 1984 are expected to be about £2m, compared with £3.2m previously. Further improvement is expected this year, but the company is still well below its 1980 peak of £14.5m profit.

Walker made cumulative pre-tax losses of £2.26m in the 2 1/2 years ended October 1983, but a reduction in its deficit prompted it to restore its 1983 interim dividend to 1p net.

The Walker board is recommending shareholders to accept Samuel's bid, subject to the terms of its aggregate holding

Czarnikow trading activities re-organised

Czarnikow Group, the commodity broker and trader, has reorganised its activities and formed two new companies in a move involving a private placing of shares.

In order to develop the group's various activities two companies have been created—Czarnikow Holdings and Lion Mark Holdings. The former company will be the new parent company for C. Czarnikow and its subsidiaries which will carry on commodity trading, trading and merchanting activities.

Lion Mark will embrace the rest of the activities of the Czarnikow Group which include spice milling and food processing.

Lion Mark will become the holding company of a more diverse group, which according to Czarnikow, will require different management and capital resources. The objective is to when the company could seek a listing.

In the proposed reorganisation arrangements Czarnikow Group is to be put into voluntary liquidation. The new will acquire C. Czarnikow and Lion Mark will acquire the remaining companies in Czarnikow in consideration of the issue of shares to the shareholders of Czarnikow Holdings.

Existing shareholders are receiving shares in the new holding company and shares in Lion Mark in proportion to their present shareholdings in Czarnikow Group.

The price at which the new Czarnikow Holdings shares are being placed is 145p per share valuing the company at £11.6m. Lion Mark shares are to be brought in at a price of 94p per share valuing the company at £8.4m.

The directors of Czarnikow Group have estimated that consolidated profits before taxation and extraordinary items for the year ended September 30, 1983 will be approximately £70,000. This is after charging £400,000 in respect of exceptional and non-recurring costs including reorganisation costs.

It is estimated that the new companies, Czarnikow Holdings and Lion Mark, had they been in existence, would have made £100,000 and £80,000 respectively. Czarnikow Holdings results would have been affected by a significant loss incurred in dealing in animal feeds.

It is forecast that pre-tax profits of Czarnikow Holdings could make pre-tax profits of £1m for the year ending September 30, 1984.

Following the completion of the placing of the shares in the new holdings company, 90 per cent of the shares will be held by the Rook and Liddiard families, about 40.5 per cent of the shares by outside institutional shareholders and 14.4 per cent directly and indirectly by the present management. Former management and the Group's pension fund will hold about 5.1 per cent.

In the Lion Mark family, the Rook and Liddiard families will own over 94 per cent of the shares. The balance will be held mainly by the management, the former management and their families and the Czarnikow pension fund.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfiled vacancies (000s). All seasonally adjusted.

1983	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1st qtr.	99.5	94.4	96	111.1	151.1	3,902	124
2nd qtr.	99.5	94.1	96	112.8	155.7	2,597	135
3rd qtr.	101.0	95.3	99	114.9	165.7	2,550	160
4th qtr.	102.0	98.2	117.4	123.6	254.1	2,511	182
June	98.7	94.0	87	114.0	159.1	2,988	139
July	100.7	95.7	104	113.9	166.8	2,567	153
August	100.7	95.0	81	112.8	162.5	2,941	162
September	101.5	95.3	84	117.3	167.1	2,951	164
October	101.5	95.7	85	115.2	173.7	2,941	167
November	102.0	96.0	86	117.0	180.0	2,537	163
December	102.8	94.8	88	115.5	239.2	2,948.1	156
1984							
January						2,975.1	152

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

1982	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Housg. starts*
4th qtr.	94.1	90.6	103.7	91.2	95.9	87.3	15.1
1983							
1st qtr.	95.8	91.7	104.9	92.5	100.0	88.6	18.1
2nd qtr.	95.6	90.2	105.7	92.9	103.5	88.6	19.8
3rd qtr.	98.8	90.2	108.1	92.9	101.5	89.6	17.3
4th qtr.	97.0	91.2	109.5	94.3	105.0	90.3	15.9
June	98.0	90.8	104.0	92.0	103.6	88.0	22.8
July	97.0	91.0	107.0	94.0	104.0	91.0	17.2
August	96.0	90.0	108.0	92.0	97.0	87.0	16.5
September	97.0	90.0	109.0	93.0	103.0	87.0	18.0
October	97.0	91.0	109.0	94.0	108.0	89.0	18.6
November	97.0	91.0	110.0	94.0	103.0	88.0	17.2
December	97.0	92.0	110.0	96.0	105.0	88.0	10.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

1982	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. trade
4th qtr.	104.6	98.3	+1,215	+2,327	+1,736	86.7	17.00
1983							
1st qtr.	102.6	108.2	-1,063	-1,761	+1,764	97.7	17.34
2nd qtr.	100.2	107.2	-669	-1,171	+1,490	98.2	17.71
3rd qtr.	102.0	107.0	-460	-807	+1,329	98.4	17.92
4th qtr.	109.8	112.3	-172	-803	+2,132	98.7	17.83
July	96.8	107.1	-318	-19	+440	98.6	17.94
August	100.4	107.2	-122	-178	+569	99.5	18.01
September	105.0	107.4	+145	+444	+529	99.6	17.90
October	104.5	118.2	-437	+239	+538	98.5	18.10
November	107.2	107.8	+107	+210	+728	98.7	18.10
December	117.7	110.9	+495	+925	+929	98.7	17.83
1984							
January	7.6	11.5	12.3		926		9.00

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflows; TFP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

1983	M1 %	M3 %	Bank advances %	DCE %	BS inflow	BP lending	Base rate %
1st qtr.	9.5	9.1	10.8	+4,456	1,174	2,590	10.50
2nd qtr.	18.2	10.7	15.0	-4,087	1,071	2,564	9.50
3rd qtr.	8.5	8.4	24.8	+1,491	2,958	2,648	9.50
4th qtr.	10.4	8.8	18.9		2,745	2,815	9.00
July	14.0	12.5	21.5	+ 776	739	828	9.50
August	11.5	10.8	22.3	+ 644	828	926	9.50
September	0.6	2.1	23.7	+ 71	874	882	9.50
October	8.6	4.5	22.5	+1,779	887	878	9.50
November	7.5	6.8	22.6	+1,413	870	959	9.00
December	15.3	15.2	11.9		888	978	9.00
1984							
January	7.6	11.5	12.3		926		9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weights value of sterling (1975=100).

1983	Earnings*	Basic mths*	Wholesale mfg.*	RPI*	FT commodity index*	Foods* comdty.	Strlg.
1st qtr.	144.7	124.6	127.5	327.0	302.1	277.28	89.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	278.98	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	280.18	84.9
4th qtr.	153.1	128.4	128.7	341.8	316.4	285.50	83.2
July	151.7	122.2	124.7	336.5	308.7	282.26	84.8
August	150.4	124.6	124.9	338.0	309.4	283.02	85.1
September	149.5	126.5	128.7	339.5	315.0	288.14	84.8
October	151.7	126.4	129.2	340.7	314.5	288.16	83.4
November	152.7	127.4	129.5	341.9	315.1	288.10	83.7
December	154.5	131.7	127.3	342.8	318.5	288.50	82.5
1984							
January		133.2	128.1	342.6	319.8	295.75	81.9

* Not seasonally adjusted.

Albert Martin rejects £3.5m Hong Kong bid

By RAY MAUGHAN
Albert Martin Holdings, the Nottingham-based textile group, yesterday rejected a "wholly inadequate and completely unacceptable" £3.5m bid from Wilson & Co., the Hong Kong holding company for Jefferson group of textile import and knitwear manufacturing businesses.

Wilson, which is headed by Mr David Lo and Mr Jeffrey Cohen, already holds a near 5 per cent stake in Albert Martin, which it has been building up since December, and is now bidding 42p per share for at least a further 45.03 per cent of the equity.

Advised by Singer & Friedlander, Wilson claims that it achieves better returns on sales and capital employed and believes that its marketing skills can help to fill Albert Martin's factories.

Albert Martin turned round from losses of £282,000 to profits of £87,000 in 1983 and last year raised £360,000 when Lazard Bros placed 2m shares at 46p per share among a score of City institutions.

Interim profits for 1983 fell slightly from £246,000 to £238,000 which was made up of a small UK loss and strong growth from its Far Eastern subsidiaries.

Some 30 per cent of its turnover is supplied to Marks & Spencer as children's and ladies' underwear and casual clothing and the customer list includes leading retailers such as Mothercare, British Home Stores and John Lewis.

Net worth is 84p per share, and the shares rose 12p to 51p.

Pilkington in RTZ deal

By DAVID DODWELL
Pilkington said a third of the company's output would be Cemfil based by April, with the remainder becoming asbestos-free soon after.

Pilkington said yesterday it would pay RTZ the equivalent of less than 5 per cent of group assets for TBP's 750,000 shares to RTZ, at current market prices worth just under £2.2m, and the rest in cash. The total consideration is less than £3m.

TBP employs 270 people, and last year had a turnover of £7.5m. Pilkington said it was trading profitably, but would not disclose a specific profit figure. TBP produces about 10 per cent of the asbestos-cement products sold in the UK.

Pilkington has been producing Cemfil fibre at its factory in Wrexham for the past 10 years. It is used in a wide variety of building products and only recently has the group aimed at producing products specifically to replace those based on asbestos.

Another Pilkington subsidiary, GRC Northwich has been making Cemfil sheets near Crewe, since last year.

Bassett Foods predicts £0.8m profits boost

In a formal rejection of the bid from Avana Group, Bassett Foods yesterday forecast pre-tax profits for the year to end March of £2.5m, against £1.7m. The final dividend is to be raised to 4.55p net, making an increase for the full year of 48 per cent.

Bassett says its new management team has set the company on the path of growth, and Avana has nothing to contribute to Bassett.

Bassett also draws attention to the 52 per cent drop in income which the bid entails for Bassett shareholders, based on the forecast dividends for both companies. Avana shares closed 2p higher at 46p, valuing the offer for Bassett at 138p. Bassett shares closed unchanged at 158p.

NOTICE OF EARLY REDEMPTION

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£20,000,000
15 3/4% Sterling/U.S. Dollar Option Notes 1985

Notice is hereby given that in accordance with Condition 3(c) of the Notes, the Company will redeem all outstanding Notes on 15th April, 1984 (the redemption date), at a redemption price of 101% of the principal amount thereof, being £1,010 (or the U.S. dollar equivalent, in accordance with Condition 4), per £1,000 Note.

Payment of the redemption amount will be made on Monday 16th April, 1984 against presentation and surrender of the Notes with Coupon No. 5 attached at the offices of any one of the Paying Agents named on the Notes.

Interest will cease to accrue on the Notes on the redemption date.

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March 1 1984

New Issue
February 29, 1984

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7 5/8% Deutsche Mark Bonds of 1984/1994

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FINANCIAL TIMES SPECIAL REPORT

BY ROBIN REEVES

SOUTH GLAMORGAN

The county has benefited from the new jobs created by Cardiff's development as the capital and administrative centre for Wales. It is also working hard to rebuild its industrial base to replace jobs lost in traditional sectors.



Cardiff city centre with the City Hall (front left), the National Museum of Wales (front right), the Welsh Office (back left) and University College, Cardiff (back right)

IN A MONTH'S TIME, South Glamorgan, like other county authorities, will be celebrating its tenth anniversary. But South Glamorgan will have a special flavour. Until 10 years ago, the county did not exist in any shape or form. Embracing the city of Cardiff and the Vale of Glamorgan as far west as Bridgend, South Glamorgan emerged from the local government reorganisation of the old Glamorgan into three new counties, a radical change pushed through by the Conservative Government in order to produce a better population and administrative balance between the eight new Welsh counties.

The decision was highly controversial at the time. Labour wanted the old Glamorgan split two ways not three, arguing that the creation of South Glamorgan was just a political ploy to create a Conservative-controlled county authority in south Wales. (In the event, Labour won the first county elections and political control has seen-sawed between the two major parties at every election since).

The then Conservative-controlled Cardiff city council was also very unhappy and fought hard against the loss of powers inherent in its downgrading to district council status. In the event, the Government view prevailed and Mr Evans, South Glamorgan's chief executive, transferred from the city of Cardiff to begin the task of building from scratch a county administration which has been making an important mark on the Welsh capital and the surrounding area ever since.

The population of South Glamorgan is 300,000 of whom over two-thirds live within the Cardiff city area. The next largest centre is the port and industrial town of Barry with a population of 25,000, followed

area was held up until the late 1970s, but now with the completion of the St David's shopping centre and the associated national concert hall, pedestrianisation of large parts of the central area, and other moves to give the city a facelift, Cardiff is re-acquiring a city centre worthy of its capital status and more in keeping with its wide range of social and cultural amenities.

A measure of the city's growing retail attraction is the fact that Guardian Royal Exchange Assurance recently mounted a major challenge to the city's refusal to grant it planning consent for a further 25km shopping precinct in the central area. The council argued that it would make Cardiff overshopped. The outcome of a detailed public inquiry into the matter is now awaited.

Knowledge

Industrially, however, the county is still wrestling to rebuild its industrial base. South Glamorgan began its existence in the knowledge that the county's largest single industrial employer, the British Steel Corporation's East Moors steelworks, Cardiff, was to close with the loss of over 5,000 jobs.

South Glamorgan's working population presently totals some 169,000 of whom over 70 per cent are employed in the services sector. This high proportion of service jobs—well above the national average—partly reflects Cardiff's position as

Wales' national capital and administrative centre but also a sharp decline in manufacturing employment in the county.

The past decade, in fact, has been a period of far reaching changes in South Glamorgan's economy and infrastructure. It has benefited from the expansion in the responsibilities of the Welsh Office and the relocation of the Export Credit Guarantee Department and Companies House from London to Cardiff created many new administrative jobs during the 1970s. More recently, the creation of the Welsh television channel has rapidly accelerated Cardiff's growth as a major broadcasting centre.

In 1982, Chemical Bank, the sixth largest in the U.S., opted to relocate the bulk of its UK operations to Cardiff, the first foreign-owned bank to move outside London. These were hopes that it would be quickly followed by others. So far this has not proved to be the case and major relocation moves are no longer so fashionable. How-

ever, demand for office space is picking up a little, mainly from companies seeking prestigious regional headquarters accommodation.

In the event, the East Moors closure did not take place until 1978. Nevertheless, it gave industrial regeneration an initial emphasis in the county's thinking which has had to be granted even greater priority as a result of the recessionary economic storm of the past three years.

Declaration

More recent major casualties include BP Chemicals at Barry—which in 1979 was employing 1,800 but where the workforce is now not far above 300—and BL's Landover plant which is soon to close outright under company rationalisation plans with the loss of several hundred jobs.

There have also been scores of smaller redundancies. Despite the signs of recovery, last year still saw the declaration of a

total of nearly 2,000 redundancies.

The net result is that the county has so far failed to make a significant dent in an unemployment rate which currently stands at over 14 per cent or more than 25,000—a figure which is below the Welsh average but still appreciably above the UK mean. The global figure also masks a substantial difference between the jobless rates for males (18 per cent) and females (9 per cent).

In the circumstances, South Glamorgan has not been content to accept its growing reliance on service industries, but is making strenuous efforts to capitalise on its attractions as a location for new manufacturing industry.

The Government's recent decision to designate Cardiff as one of six freeports in various parts of the UK should provide a useful fillip. The developers, a Pearce (Wales) consortium, says they have had an excellent level of inquiries and plan to start developing 40 acres of

Cardiff's dockland as soon as the legislation is approved.

On the other hand, the recent adverse publicity surrounding the Severn bridge has not been helpful, though South Glamorgan's industrial development team stresses that it is not being mentioned by a greatly increased number of companies currently making inward investment inquiries. Furthermore, the Government has now given the go-ahead to a £53m strengthening programme and a feasibility study on a second Severn crossing.

South Glamorgan's main worry at present is that the Government's latest drive to curb local Government expenditure will damage the momentum South Glamorgan has built up to improve the industrial infrastructure. As Mr Davey, South Glamorgan's chief executive, points out an adequate level of public investment remains essential to attract the higher level of private investment in new jobs and services which the Government is seeking to encourage.

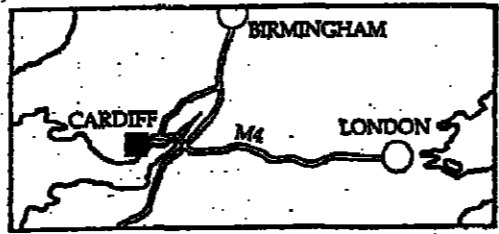
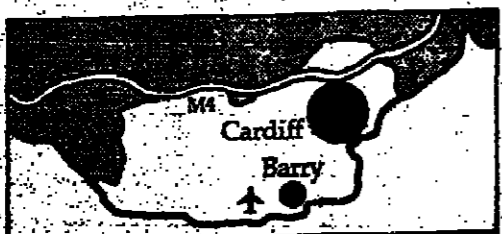
IN THIS REPORT

- Inward investment: Aim trained on growth industries II
 - Steel: Japanese lend a helping hand II
 - Profile: Callard and Bowser II
 - Women's new technology workshop: Making a strong start III
 - Industrial regeneration: Stepping up the search for "spinouts" III
 - Profile: Meristic Sundials III
 - Tourism: North American air link provides a boost IV
 - Cardiff Airport: Emerging from the doldrums IV
 - Broadcasting: The rise of Welsh TV and SuperTed IV
- Photographs for this report were taken by Glyn Gein

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SOUTH GLAMORGAN II

Sharp-shooting approach adopted towards inward investment

Aim is trained on growth industries

SOUTH GLAMORGAN is well aware that the battle for inward investment is becoming stiffer. The result has been the recent adoption of a sharp-shooting approach towards attracting new companies to the county.

Detailed studies have been carried out into growth sectors such as food, pharmaceuticals, medical disposables and medical instruments, and individual companies with growth, or relocation, prospects have been identified.

Combined with the slowly improving economic climate, this more selective approach is already producing some promising results. Over the past weeks, inquiries have risen fourfold, compared with the previous 12 months, and there is widespread optimism that a number will be turned into concrete projects.

Certainly over the past decade, South Glamorgan has demonstrated a capacity to win a number of prestige new industrial developments. The 1977 decision of the Ford Motor Company to site its £225m European engine plant at Bridgend was an international recognition of the county's inherent attractions as a European industrial location.

So, too, was the selection of a Cardiff site by Matsushita, Japan's largest consumer electronics group, for a National

Panasonic television manufacturing plant to supply the European market. This manufacturing operation has been expanded several times since.

Amerham International also plumped for Cardiff to expand its radio-isotope manufacturing operations as an ideal location for a high technology company which exports over 90 per cent of its output, while more recently, the U.S. Comdial Communications corporation decided to build a highly automated £13m plant to manufacture new generation telecommunication equipment within the county.

Nissan

South Glamorgan also has one of the five sites shortlisted by Nissan, the Japanese car giant, for its proposed £100m UK assembly plant. The county moved in 1979 to purchase Wentlog — the site being recently secured by Nissan on the east side of Cardiff. Some 210 acres has already been purchased by the county, and an access road provided. In all, a total of 980 acres would become available — the landowners have already recognized of the county's inherent attractions as a European industrial location.

Nissan will of course be weighing every factor in the balance before taking a final decision, but South Glamorgan is clearly in the hunt, and it



The RAF at St Athan, a major local employer, offers various courses for young men and women, including some on Youth Training Service schemes. Above: the ground engineering services course

has the special advantage of being poised to secure a Japanese school for the children of expatriate executives. The county has already launched a weekend facility for the children of executives working at South Wales' seven existing Japanese companies. The arrival of Nissan will trigger the Japanese Ministry of Education backing for a full-time school.

The other factors which make South Glamorgan an attractive location for industry are otherwise well-established. The county's development area status (special development area in the Bridgend area) and access to European Coal and Steel Community grants and soft loans date from the decision to close East Moors steelworks. Thanks to the presence of the University College, Cardiff, the University of Wales Institute of Science and Technology, the Welsh National School of South Glamorgan, Glamorgan Institute of Higher Education, and a wide range of other specialist education and training institutions, the education infrastructure of the county is seen to be a strong asset.

When it comes to transport facilities, South Glamorgan not only has two ports (and three others within easy reach) but also its own airport with scheduled flights to the Continent and other parts of the

outer dual carriageway box around Cardiff, in order to revive the economic fortunes of south Cardiff and its dockland area.

The capital expenditure is considerable. Some £170m will have been spent by the time the project is completed, but because of its economic importance, the EEC Regional Development Fund has agreed some £28m towards the total cost, which £14m has been paid out to date.

The impact of this programme is already being felt beneficially in the south Cardiff area. Later this year, the comprehensive redevelopment of a major slice of Cardiff's docklands as residential, leisure, and high tech industrial workshop area is due to get underway. The developers, Tarmac Construction, plan to start as soon as the Welsh Office has signalled its approval of an £5m Urban Development Grant towards the £50m cost of the scheme.

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Adjacent, a further site is available having a total development capacity of approximately 17,652 sq.m (190,000 sq. ft.) gross. It is envisaged that the development will take the form of two or three linked office blocks which could be developed as a whole or in phases. Excellent banking hall location. Possible limited retail use.

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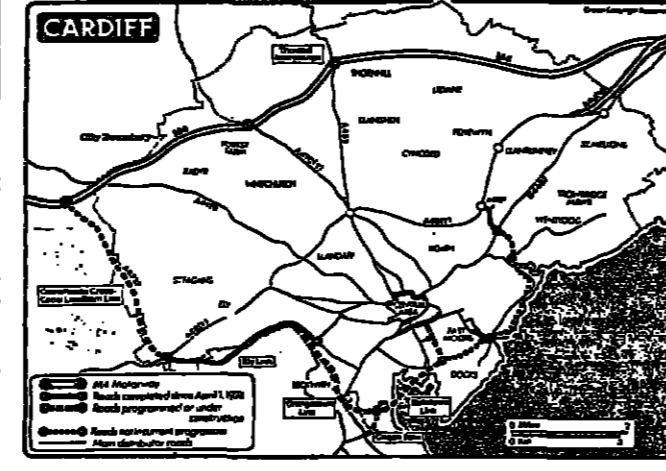
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Makers of
**Fine Confectionery
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Japanese lend steel a helping hand

THE DISAPPEARANCE of the British Steel Corporation's East Moors steelworks, Cardiff, in 1978, has far from severed South Glamorgan's connection with the steel industry.

Two other Cardiff-based steel groups are continuing to fight for survival in today's still troubled domestic and international steel market.

One is Allied Steel and Wire, which was formed in 1981 to merge the interests of GKN and BSC in rods, bars and sections, wire and reinforcement steels. The other is the John Williams foundry and steel stockholding group.

ASW managed to establish a small trading profit in the 12 months up to last December, a remarkable feat when compared with its first few months of trading. Then, the losses of the new group were running at the rate of £1m-£2m a month,

On the foundry side, the order book is looking better than at any time in the past three years. Its steel stockholding side is also doing more business.

But Mr David Williams, the company's new chairman, says that there have been many false dawns and he is cautious about predicting that it will last.

Last year, despite a heavy retrenchment programme, the company lost just over £1.5m on a turnover of £15.8m since when it has disposed of its window fabrication subsidiary, which used to account for about a third of the business, and taken further measures to reduce its overheads.

On the stockholding side, the group's strategy is to give added value to its business by undertaking profiling, cutting, galvanising and other forms of processing. Some 60 per cent of its stock sales are now being given added value in this way.

A little known company called COMDIAL

1981 COMDIAL	Established in the UK with world patented telephone dialling technology enabling a telephone to talk to a computer
1982 COMDIAL	Acquired the foremost computer Voice Response Company in the UK whose clients include British Leyland, Brooke Bond Oxo, BMW, Datsun, Ford and General Motors
	Created first UK telephone system "TALKBACK" with telephones capable of communicating with computers and computers able to respond with the human voice
	Received first order from British Telecom for a low cost credit authorisation service based upon "TALKBACK" to be marketed as System Silver
1983 COMDIAL	Decision to construct the most modern telephone factory in Europe with capability to build 1 million telephones per year
	Decision to build in Wales with assistance from WDA, Winvest and City Institutions together with ECSC announced in the House of Commons by the Secretary of State for Wales, the Rt Hon Nicholas Edwards MP
	Bought 12 acres of land at St Mellons, Cardiff, from WDA to build 100,000 sq ft factory
	Becomes, by merger, second largest supplier of telephone sets to the French PTT with an annual output of 1 million telephones and employing 600 people
1984 COMDIAL	Occupies 25,000 sq ft satellite factory at Pentwyn and establishes development, engineering and production capability
	Obtains detailed planning permissions from Cardiff City Council for construction of Europe's most modern telephone factory
1985 COMDIAL	Will open Europe's most modern telephone factory and will build 1 million telephones per annum for the domestic and export markets

Comdial is pleased to be coming to Wales and wishes to thank those who have been involved in its development

Now that you know our history, why not get involved in our future

For further information, contact **COMDIAL**

PO Box 271, Maidenhead, Berkshire SL6 6RL, or telephone Wendy Bevan on 0252 836776.

Merger proves a sweet success

IT IS NOT often that a Wales based company purchases a far larger London based rival and then proceeds to transfer the whole operation to its Welsh headquarters.

But this is precisely what South Glamorgan based sugar confectionery manufacturer Smith Kendon, has been doing over the past eighteen months following its acquisition of Callard and Bowser Nuttall from Arthur Guinness and Sons.

The concentration of two of the longest established manufacturers in the business in South Glamorgan—now renamed the Callard and Bowser Group—has created Britain's eighth largest confectionery manufacturing concern. Whereas Smith Kendon alone had a turnover in 1982 of only £4m, the new group's turnover is £24m and growing rapidly.



Mr Haydn Williams, chairman and managing director, at Callard and Bowser's Waterton, Bridgend, factory.

Welshman, Mr Williams insists he was ready to move the business anywhere in the UK. Waterston simply emerged as the best choice after a management study of more than 40 potential sites. The attractions included its immediate access to the motorway network, nearby port facilities for Smith Kendon's large export trade, the investment incentives package, and an ample supply of skilled labour.

The Ford Motor Company was similarly impressed when it opted for Waterton three years later as the site for its new European engine plant, after a Europe-wide study of potential locations.

Having successfully completed the move to South Glamorgan, Mr Williams became worried about the possible future impact on the company's financial security of capital transfer tax on the Smith family's 80 per cent shares holding. The result was that in 1977, he persuaded the family to dispose of its equity to Beatrice Foods of Chicago.

The attraction to Smith Kendon of the deal was twofold. Beatrice is the second largest food group in the world but, more importantly, it was an international company with a highly decentralised style of management. Individual profit centres are

left to manage their business without interference.

The Beatrice tie-up provided the financial security necessary for the Callard and Bowser acquisition. Mr Williams had been on the look out for just such a purchase for some time. "We had a management team which was stronger than the business it was handling. Although growing at 10 per cent a year, we were building from a very small base. A major acquisition was obviously the best way to utilise this talent more productively," Mr Williams says.

The right opportunity arrived in 1982 with the Guinness company's decision to divest itself of a number of its unprofitable subsidiaries. On investigation, Callard and Bowser was found to be losing £2m a year. But its brand leadership in the UK toffee market, its other well-known products such as Nuttall's mints, Riley's chocolate toffee rolls, butterscotch, nougat and juicy jellys, ideally complemented Smith Kendon's range of travel sweets and sugar-free confectionery.

It didn't take Smith Kendon long to decide to transfer Callard and Bowser's manufacturing operation from Hounslow to Bridgend while maintaining and expanding the latter's Halifax factory.

JPL, 10.10

SOUTH GLAMORGAN III

A variety of agencies are working to encourage industrial regeneration

Stepping up the search for 'spin-outs'

ONE OF South Glamorgan's first initiatives as a new county authority was to secure special powers by Act of Parliament to make its own grants towards small business planning expansion. However, the hampering of industrial employment produced a growing recognition that the traditional policy instruments for encouraging more growth and economic activity in the county were no longer adequate and that more must also be done to foster home-grown enterprise.

BSC (Industry) set the ball rolling with the establishment of its workshops scheme in the wake of the closure of East Moor. An administrative block at the site was cleared from demolition and turned into special accommodation for up to 90 start-up businesses. The idea was to give budding entrepreneurs an opportunity to try out their business project for a few months with the minimum of commitment in terms of accommodation. Thereafter, they could either move on to larger premises or abandon the idea.

The Welsh Development Agency also undertook a good deal of investment in new industrial premises in and around the East Moor area, including provision of small nursery units on easy tenancy terms.

More recently, there have been two important new initiatives. One is Cave—Cardiff and Vale Enterprise—which was launched less than a year ago as an enterprise agency serving the whole of the county. The other is the Development of



Cardiff University Industry Centre aims to increase the flow of products out of the university into the market place. Left: Mr Clive Jones, CUIC manager, (foreground), and Professor Tony Jackson, head of chemistry, with equipment which helps to control and monitor insect pests. Right: Dr Mike Hewlin working on computer graphics equipment which aids the development of drugs and insecticides

ively, South Glamorgan and Cardiff councils.

Given the range of expertise at its fingertips, Cave has been made the clearing house for local authority financial support for business development and since last April it has handled more than 1,100 enquiries for assistance, of whom some 900 have been interviewed at least once.

Mr Atkinson is reluctant to make claims about the number of jobs created. He believes that a significant number would have happened anyway. Nevertheless, Cave has so far given substantive help to a total of 115 business projects which between them promise 700 new jobs by the end of the year. It has also been involved in helping 20 businesses overcome problems.

Other Cave activities include evening business training courses (attended by more than

100 people), lunchtime seminars on business problems, visits to schools to talk to sixth formers about the business option and surgeries for aspiring entrepreneurs at convenient locations throughout the county.

Own newspaper

In the future, Cave is about to launch its own thrice yearly newspaper which will be sent to every business in the county and it will also be sponsoring this summer's Welsh industry and commerce trade fair in Cardiff.

It is also backing a Vale of Glamorgan borough council initiative aimed at establishing a chemicals industry park in Barry to capitalise on the considerable chemicals industry

expertise in the town, and moving towards establishing an innovation workshop where new product and process ideas can be tried out.

This last initiative in turn reflects the growing interface between local industry and the county's education institutions, in particular the Cardiff University Industry Centre (CUIC). It is nearly two years since the local authorities first put a major cash injection into CUIC to expand its work of increasing the flow of new products and processes out of the university and into the market place.

CUIC works in three ways. Firstly, it processes ideas put forward by its own researchers and staff. Secondly, it identifies specific growth areas of the economy and sets up brain-

storming sessions among relevant disciplines to try to produce specific product ideas to meet identified needs, and thirdly, it monitors the work of research departments to see if there are aspects of their work with commercial potential.

As a result of this approach, CUIC is currently working towards launching 10 new products out of dozens of ideas it has examined. They include a food control device, a product concerned with cable TV, a display board for exhibitions, an improved children's pushchair, and several other hush-hush products, some of them in the biochemical and microelectronics fields. Its payoff will be a royalty on the sales of the products concerned.

Since April 1982, when CUIC

received £100,000 a year for three years from the local authorities and the Welsh Office, to expand its activities, it reckons to have created 140 jobs in the local economy and many more are promised.

Mr Clive Jones, head of CUIC, stresses that the centre's job is essentially one of lubrication. The key to success remains the enthusiasm of the university staff and the active backing of the college principal, Dr Cyril Bevan, who chairs the centre's management committee.

He also pays tribute to the county authorities. "I can ring up South Glamorgan and secure funding within days for top consultants to look into prospects for a particular product idea. We are beginning to form a nice team, all pushing in the right direction."

Strong start by women's workshop

AN INTERESTING initiative in the field of training for the new technologies was launched last month—South Glamorgan women's workshop.

Though the idea of a specialist training facility for women is not new, this was Britain's first specialist centre for women to train in computing and microelectronics skills which also has on the spot crèche facilities.

A total of 54 trainees with, between them, 20 children are participating in two part-time one-year courses at the centre.

The workshop is housed in Cardiff city centre premises which were refurbished and equipped at a cost of £140,000 by South Glamorgan county council. The first year's running costs will be shared by the county and the European Social Fund.

It has nine women staff in total, including tutors, employment development workers, and child care staff.

Deliberate efforts were made to recruit women who might not otherwise have thought of applying for such a course. A series of open days were held at community centres throughout the county to explain the courses and answer questions. In the event, the demand for places from unemployed women was overwhelming and there is now a long waiting list for the next round of courses.

The courses as well as teaching microelectronics skills also include counselling on returning to the routine of working life and work experience placements with local companies.

and

undry side, the bit looking better than in the past three years. Stockholding side, more business.

David Williams, the chairman, has been busy in the past few months. He is cautious about that it will last. Despite a recent programme of cost-cutting, the loss just over £100 million has been discussed in a publication which is to account for the business at further means overheads.

Stockholding strategy is to give it the best of both worlds. The production plant, as has been, in the past, some 60 per cent sales are now led value in the

ccess

London factory like copy and inefficient."

The signal for investment programme has created 1,000 of additional staff and administrative and administrative quarters, a new microprocessor production plant, as has been, in the past, some 60 per cent sales are now led value in the

statement

enforce of the new company is that local companies were invited to refer to Bridgwater. The only 28 of the new workforce are so: that of key personnel who we on temporary basis to help with the

scope for further investment without additional cost is considered. It is believed that the 13 shift workers accepted work in 1983.

is important because group's growth plan for 10 years is based on next five years. It is not least so because opportunity to improve productivity in the American market. American market has been a major commercial pillar. It has been a strong response. It is also a strong response. It is also a strong response. It is also a strong response.

PROFILE: MERISTIC SUNDIALS Casting new light on an age-old product



Time check: Gwyn Lawrence at his Cardiff workshop.

TUCKED AWAY in the Royal Street premises of Cardiff's old commercial heart is a new small business which is already exporting its products to China, India and North America, and which recently won the accolade of a major contract with Marks and Spencer.

Meristic is the brainchild of Mr Gwyn Lawrence, a former pop group "roadie," who spotted a world-wide market for a centuries-old product, made using modern high technology methods—Sundials.

Mr Lawrence's original idea was simply to market traditional European sundials on the west coast of America. During a six-month break in California, as a rest from working as road manager for The Who and the Welsh National Opera, he noticed a conspicuous absence of sundials, despite the subtlety of the climate and the Californian enthusiasm for outdoor living.

It evidently reflects the fact that the west coast of America was not settled until towards the end of the last century by which time the east coast was already mass-producing relatively cheap pocket watches.

However, source of quality sundials in Europe, Mr Lawrence decided to design them and arrange for the manufacture himself.

Computer-designed

Mr Lawrence is a perfectionist. In the era of the digital watch, he saw no point in producing sundials which were not of equivalent accuracy. Hence, Meristic market sundials which, though made of brass and mounted on a traditional material, Welsh slate, are computer designed to suit particular latitudes, have a laser beam which is chemically milled rather than etched by traditional methods, and have gnomons (the arm which casts the shadow) which are produced on computer numerically controlled machine tools (the angle varies with latitude) to a standard of accuracy above that demanded by the motor industry.

The result is a highly impressive scientific product. Yet Mr Lawrence says that in a number of ways his experience has been an object lesson in how not to go about setting up a business on limited resources.

"I thought it could be done in a month. In fact, it took two years."

His desire to use chemical milling also known as photo-etching or photo-etching, presented enormous problems. Its use is expanding only slowly as an alternative to engraving by pantograph, though it is more flexible and cheaper for short to medium runs. Mr Lawrence had great difficulty, first of all, in establishing if it would be a suitable technique for manufacturing the dial faces. Information was very sketchy

— and then in finding a manufacturer.

He was eventually given invaluable help by Pera, the Government's small firms technical inquiry service. Having established that it suited his purposes, he persuaded Hotel Reprographics, a Mountain Ash-based company making printed circuit boards for the electronics industry, to undertake the work.

He also started by having the gnomons manufactured at a local foundry. But the technique proved unsuitable. The pieces were plagued by problems of porosity which gave them an imperfect finish, and in the end he was forced to having them made by one milling.

Even the slate base presented problems. No Welsh quarry had the tooling to produce 13 inch diameter discs, so Mr Lawrence became involved in arranging for the manufacture and delivery of a new diamond slat cutting machine to the Dolydd Craft company, near Caernarvon, to supply his requirements.

A lot of time was also lost because in the current economic climate, every potential supplier was inclined to respond enthusiastically to his initial enquiry. Yet, when it came to the crunch, few were willing to meet his exacting but small volume requirements. "I was trying to stretch everybody, but I couldn't really offer them very much business."

With hindsight, Mr Lawrence thinks he would have been better advised to have investigated available manufacturing techniques first and then designed his sundials around what was available. "I realise now that small companies cannot really afford to go in for such thoroughgoing R & D. It just swallows up resources at a rapid rate for which there is nothing to show in the bank."

Yet despite his misgivings, Mr Lawrence has, nevertheless, succeeded in getting a very attractive product on the road. Apart from a growing export order book, he has just received a major order from Marks and Spencer to supply commemorative plaques for a range of local projects being supported by its 282 UK stores as part of the company's centenary celebrations.

He is also extending Meristic's range of sundials to 8 inch and 6 inch diameter models with a view to breaking into the market for retirement gifts. He reasons that the gold watch has had its day and that the sundial offers an attractive, related, alternative. The dial faces are being designed with space for a company logo or message. Furthermore, the prices of the smaller models are within a range which should satisfy the most hard-nosed finance director—around £48 and £75 for the smaller versions, compared with £150 for the original.

Success is knowing where and when to make the right move... The following famous names decided that Cardiff was the place, and the eighties was the time...

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- Automobile Association
- Boots
- Chemical Bank of America
- Comdial
- Debenhams
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- Littlewoods
- Marks & Spencer
- National Panasonic
- Norcros
- Sainsbury's
- Woolworth's...

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FINANCIAL TIMES SURVEY

WALESS

The Financial Times proposes to publish the above survey on

JUNE 28th, 1984

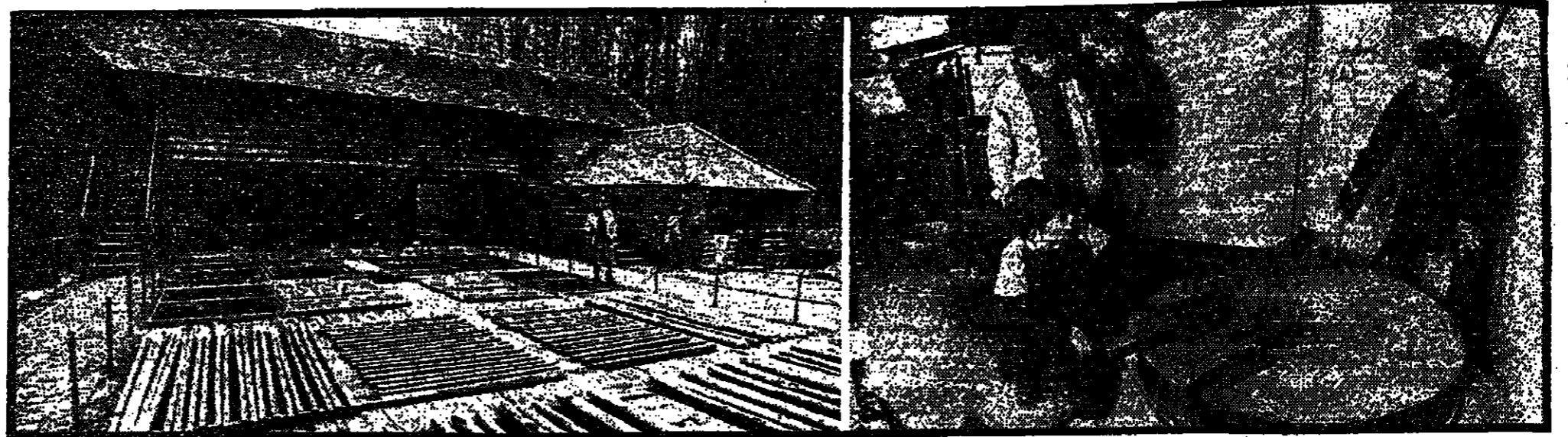
Should you require further information, please contact Anthony Hayes on: 021-454 0922

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

SOUTH GLAMORGAN IV



The Welsh Folk Museum attracts almost 350,000 visitors a year. Left: the tannery. Right: inside the 19th century watermill.

North America link boosts tourist trade

FIRST-TIME visitors to Cardiff are often surprised by the elegance of the Welsh capital, its fine Edwardian civic centre, its castle, parks and excellent shopping facilities and cultural amenities.

Outside the city, the Vale of Glamorgan is also rich in interest. Attractions vary from the very different seaside resorts of Penarth and Barry Island, and the little-visited heritage coast beyond to the Welsh National Folk Museum, Duffryn House and Gardens, and a wide range of prehistoric and medieval sites of considerable historic interest.

Yet, it is only comparatively recently that South Glamorgan has begun to make serious efforts to build up its tourism and conference business. The resources available for promotion have been stepped up con-

siderably to allow the City Council, which handles tourism and conference promotion on behalf of the whole county, to do a great deal more advertising, including mail shots to tour operators throughout the UK, and to appoint a full-time conference executive to develop conference business, particularly in the new St David's Hall.

Image problem

South Glamorgan has also started participating in tourism promotions on the Continent and in North America, where the opportunity has arisen to build up reciprocal traffic via a weekly summer charter link between Cardiff-Wales Airport and Toronto.

Within the UK, South Glamorgan probably still has an image problem to overcome.

Some visitors arrive expecting coal tips and industrial grime which, even in the industrial valleys, let alone Cardiff and the Vale, are increasingly difficult to find.

But, as the message spreads, an increasing number of operators are including two or three days in the county as part of tours of Wales. Specially designed day and weekend tourists' visits from London—less than two hours away by train—are also helping to boost tourism business.

One measure of success is that the number of visitors to the Welsh Folk Museum, just outside Cardiff, is now approaching nearly 350,000 annually. Significantly, too, a far higher proportion of visitors now arrive by coach as part of package tours or under bargain break voucher schemes operated

in association with local hotels. "It is no longer just a matter of throwing open the turnstiles, but deliberately marketing the museum in association with a number of other attractions in the area," says Mr John Bevan, the museum's information and marketing director.

Tourism improvements in the pipeline include the establishment of a youth hostel, a touring caravan site, but most importantly of all, a major new hotel.

Conferences

Commonwealth Holiday Inns of Canada has just signed a contract with Cardiff city council to build a 29m 200 bed hotel near St David's Hall. Finance for the development is being provided by Prudential Insurance, and Investors in Industry.

A large urban development grant has already been awarded towards the cost of construction.

This new facility should provide an important boost to the conference use of the St David's Hall. Although Cardiff already has some excellent hotels of international standard, none has the same world-wide links.

When the St David's Hall first opened, it was recognised that it would take up to five years to build its conference trade since most are arranged many years ahead. But Mr Roger Ware, the hall's conference executive, has already succeeded in securing bookings for a number of major medical conferences over the next two years. In 1986 St David's will also play host to a greatly enlarged annual conference of the

Institute of Chartered Surveyors, and in 1987 to the annual conference of the Association of District Councils. Further ahead, the Pharmaceutical Society of Great Britain and Northern Ireland is booked for 1990.

The auditorium of the St David's seats 2,000, enabling it to house all but the largest gatherings. There is, however, a need for more associated exhibition space. To this end, plans are afoot to refurbish the neighbouring city library as an exhibition hall, once construction of a new library, now under way, is completed. A scheme being promoted by local developers, Module Two, to provide Cardiff with a permanent international trade centre within a few minutes' walk of the St David's Hall, should also enhance the area's business conference attractions.

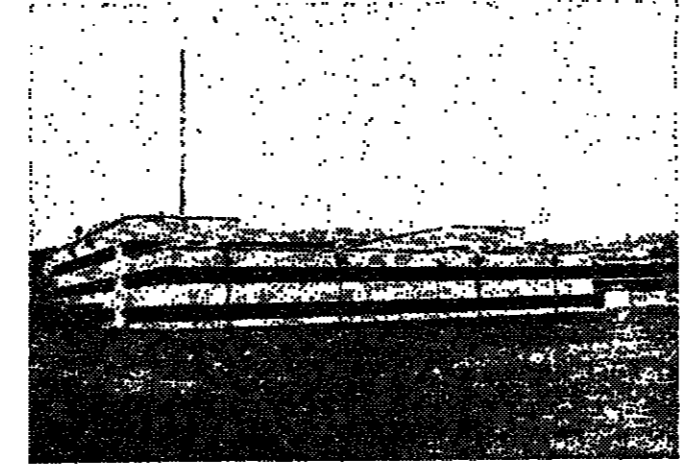
The rise of Welsh TV - and SuperTed

HTV, Wales' independent television contractor, is just putting the finishing touches to a major new £14m TV studios complex and group headquarters at Culverhouse Cross on the western outskirts of Cardiff.

This prestige development is the most visible sign of a dramatic rise in the importance of Cardiff and South Glamorgan as a broadcasting centre following the introduction of a new Welsh television service on the new fourth channel in Wales.

The Welsh Fourth Channel Authority (S4C) broadcasts a 22 hours a week Welsh language service, mainly at peak viewing hours, supplied by HTV, BBC and independent producers. Channel Four UK's output is then rescheduled around the Welsh programming.

HTV presently supplies S4C with 7 1/2 hours a week. But with the opening of the new Culverhouse Cross headquarters, its contribution will go up to nine hours. This output, combined



HTV's new Culverhouse Cross headquarters (above) will enable the company to become the most productive in the ITV network. Left: SuperTed, the space-age teddy bear, whose adventures are attracting interest from all over the world



with its English programming for both Wales and the West of England, makes it the most productive television company in the ITV network.

The BBC has also added a large new television studio to its Cardiff broadcasting headquarters. And, in a transaction symbolic of the changing character of the Welsh economy, it has also purchased the former headquarters of the British Steel Corporation's Welsh Division (now being managed from Llanwern steelworks, Newport) in order to provide extra space for Welsh TV.

But in some ways the most dramatic impact of the arrival of S4C has been in the spawning of a host of small, independent television production companies.

A number are naturally located in the north Wales Welsh-speaking heartland of Gwynedd. But otherwise the main beneficiary has been the Cardiff area. At the last count, there were no less than 18 independent production units in and around the city, plus a diverse range of film cutting, editing, captioning, and audio and video post-production companies, to meet S4C's requirement for 4 1/2 hours a week from independents.

Many of them have set up shop in Butetown, the old commercial quarter of the Welsh capital near the docks, and, in particular, the historic Coal Exchange building in Mount Stuart Square, which was at one time earmarked as the home of the proposed devolved Welsh Assembly.

They have provided a sharp and very welcome fresh injection of economic and social life into an area which, at one stage, appeared doomed to irreversible decline.

The biggest of the independents is Siriol Animation, which employs over 40 staff to make cartoon films for S4C and recently achieved a major commercial coup by selling its SuperTed series, originally shown in Welsh to Walt Disney Communications for broadcasting on U.S. cable TV. This is the first British cartoon series ever to be bought by Disney.

Dubbed versions of the SuperTed series are also in the process of being sold to many other countries and CIN Investments, the coal industry pension fund, recently signed a £2m deal with S4C to help finance Siriol's production of further episodes of

Cardiff airport emerges from the financial doldrums

IT WAS MORE than a decade ago that the old county of Glamorgan decided to keep ahead of the air travel revolution by building a major new air terminal and freight handling facilities at what was then Rhose, now Cardiff-Wales, airport, west of Barry.

Yet, no sooner was the building opened than the arithmetic justifying its construction was rendered invalid by the 1973 oil crisis.

This made nonsense of the traffic growth projections and saddled the three new Glamorgan counties, who agreed to manage the airport jointly, with a facility operating at less than one third capacity, and a long-term capital debt. For much of the 1970s, the counties' ratepayers were required to contribute some £1.5m a year towards the airport's running costs and capital charges.

Breakeven

Today, however, Cardiff-Wales airport is at last emerging into financial sunshine. Passenger traffic in 1983 was a record 408,000, 2.7 per cent above the previous year and well up on original forecasts.

It enabled the deficit net out of the rates to be reduced well below £0.5m, and the forecast for the current year is that this shortfall will be at least halved. Indeed, there is a possibility that the airport's financing could break even.

Certainly, this year should see a further significant increase in traffic. The number of tour operators using the airport is set to rise, as is the range of charter

destinations and number of seats being offered. UK-wide, the package tour industry has been reporting increases in bookings of up to 20 per cent compared with a year ago.

More important still for the slightly longer term are the prospects opening up for greatly increased Transatlantic business via Cardiff-Wales. Thanks to the substantially improved financial position, the go ahead has now been given for an extension of the runway to allow the largest modern jets to take off with a full payload.

The first phase, a 750 ft extension, is due to get underway later this year at a cost of £300,000. A second phase, which involves the purchase of additional land for a further 500 ft is due to be carried out as soon as possible afterwards.

The transatlantic connection has already been established. A weekly charter and freight service to and from Toronto has operated successfully during the summer months of the past two years. But the new extension will open the way for direct DC 10

and Boeing 747 flights to other parts of North America.

Meanwhile scheduled services from Cardiff-Wales airport presently include daily flights to Dublin, Amsterdam and Gatwick to connect with the international airline networks, and regular domestic links with Manchester, Leeds, Newcastle, Glasgow, Belfast, Bournemouth and the Channel Islands.

More routes could possibly be added in the not too distant future, particularly as a result of the launching of a new Cardiff-based airline, Airways International Cymru, by a local travel company, Red Dragon Travel.

While initially, AIC plans to operate contract charter flights only, the new company is also seriously examining the introduction of one or two scheduled services. Brussels and Paris are two obvious gaps in the airport's range of scheduled destinations. Indeed, the reintroduction of Cardiff-Brussels daily service is also being studied by Luton-based Euroair.

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Registration form for the St. David's Day promotion, including fields for Name, Nature of Business, Position, Organisation, Address, Tel. No., and Telex No.

Handwritten signature or mark.

Costa Rica's call for credit will test BIS, Page 34

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Thursday March 1 1984

NEW YORK STOCK EXCHANGE 24-36 AMERICAN STOCK EXCHANGE 25-26 U.S. OVER-THE-COUNTER 26, 34 WORLD STOCK MARKETS 26 LONDON STOCK EXCHANGE 27-29 UNIT TRUSTS 30-31 COMMODITIES 32 CURRENCIES 33 INTERNATIONAL CAPITAL MARKETS 34

WALL STREET Tone turns subdued but steadier

A MORE subdued but steadier tone emerged on Wall Street yesterday after the somewhat hectic trading conditions of the previous two sessions, writes Terry Byland in New York. Stock and bond sectors both endeavored to re-establish themselves at the present lower levels reached in the past fortnight. A dip in the Federal funds rate helped the credit markets, where bonds at last managed to reverse the downward trend of recent sessions.

Paul Volcker, the Federal Reserve chairman, before the Senate Budget Committee. The stock market made a slow start but the improvement in bonds brought buyers for IBM and some other market leaders.

At \$1104, IBM gained 5%. AT&T edged up by 3/4 to \$17, and Ford lost 3/4 to \$37. Oil stocks had another active session, but it was takeover speculation which fuelled the interest, rather than the implications of the latest developments in the Iran-Iraq conflict.

The news took 1/2 off Chicago & Northern at \$34 and Milwaukee was down 5/8 to \$1254. On the American Stock Exchange, energy, issues continued active. Gulf Canada was 5/8 better at \$154 and Dome Petroleum put on 5/8 to \$34.

In the credit markets the Federal Reserve intervened first to drain liquidity by reverse repurchase arrangements, or matched sales, when fed funds were trading at 9 1/2 per cent. Then it returned with a more helpful offer to buy Treasury bills and coupon issues for its own account.

EUROPE The sceptics prove their point

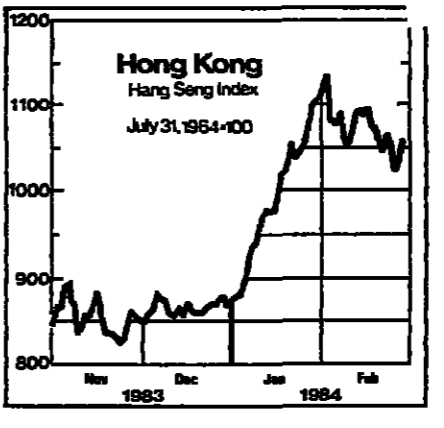
SCEPTICISM paid off for operators on the European bourses yesterday as Wall Street's rebound - which had clearly not increased their tolerance to any great price mark-ups in their own markets - proved overnight to have been abortive, in the short-term at least.

no1, FFr 20 ahead at FFr 1,350. It expects a sales boost from the prominence of its products at the Winter Olympics this month.

Persistent Brussels fears of higher domestic interest rates brought widespread declines, among which was a BFr 60 fall for Petrofina at BFr 8,950. But Electrobel, sold on Tuesday, revived the same amount at BFr 5,970.

LONDON Rate hopes restore confidence

REVIVED optimism over domestic interest rates restored a measure of confidence to an initially uncertain London stock market, still assessing the sharp turnaround on Wall Street overnight.



HONG KONG Pre-budget spur from land sale

IMPROVED prices achieved at the latest government land auction provided a spur to the regular midweek half-day's trading in Hong Kong, which was otherwise overshadowed by the Financial Secretary's budget speech later in the day.

AUSTRALIA DECLINES in world copper, nickel and gold prices prompted an easier tone at the start of trading in Sydney, and the decline continued amid concern about rising local and U.S. interest rates.

The market also continued to be depressed by investors taking profits to help fund tax bills which have to be settled by the end of March.

SOUTH AFRICA GOLD SHARES closed easier but mainly above the day's lows in Johannesburg as the bullion price managed a partial recovery from its lower overnight levels.

Among heavyweights Hartbeest shed R22.25 to R98 while platinum also recovered with Impala firming 25 cents to R19.

CANADA SHARES turned sharply higher from an early dull performance in Toronto after the announcement of Mr Pierre Trudeau's planned resignation as Prime Minister.

A broadly based advance was led by a surge in oil and gas issues, which was attributed to investors buying these stocks in anticipation of a change in energy policies.

The composite index closed off its peak but nevertheless up 16.30 to 2,419.80.

A more modest advance was seen in Montreal, led by industrial, bank and utility issues.

KEY MARKET MONITORS

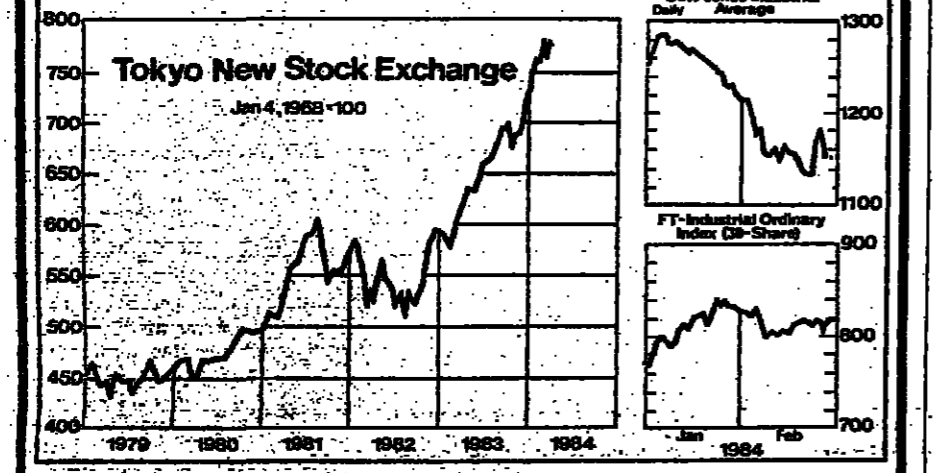


Table with columns for STOCK MARKET INDICES and CURRENCIES. Includes data for New York, London, Tokyo, Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, and World Capital Int'l.

Table with columns for U.S. BONDS and FINANCIAL FUTURES. Includes Treasury, Corporate, and various futures contracts like Chicago and London.

Table with columns for COMMODITIES. Includes London, Frankfurt, Zurich, Paris, Luxembourg, and New York prices for various commodities.

TOKYO Collapse of Osawa adds to gloom

NEWS of the collapse of the J. Osawa trading house came with the Tokyo market already in a liquidation mood yesterday and prices tumbled under small-lot selling, writes Shigeo Nishitoku of Jiji Press.

Selling hit most issues, centring on major blue chips, with the sole exception of non-ferrous metals which drew buy orders in large lots against the background of the escalating war between Iran and Iraq.

The Nikkei-Dow market average of 225 issues lost 43.08 to 10,030.70. Volume shrank from 280.15m shares to 254.99m, with losses sharply outnumbering gains by 455 to 277.

Institutional and individual investors retreated to the sidelines. Enthusiasm was further damped by the overnight setback on Wall Street, which touched off the flurry of small-lot selling.

EUROPE The sceptics prove their point

SCEPTICISM paid off for operators on the European bourses yesterday as Wall Street's rebound - which had clearly not increased their tolerance to any great price mark-ups in their own markets - proved overnight to have been abortive, in the short-term at least.

In the credit markets the Federal Reserve intervened first to drain liquidity by reverse repurchase arrangements, or matched sales, when fed funds were trading at 9 1/2 per cent. Then it returned with a more helpful offer to buy Treasury bills and coupon issues for its own account.

The Tokyo Stock Exchange suspended trading in the stock, listed on the first section, throughout the day. Blue chips were sold in small lots, with Matsushita Electric Industrial plunging Y50 to Y1,820 and TDK Y80 to Y8,640.

Despite the general downturn, non-ferrous metals surged on buying, chiefly by Japan's four largest brokerage houses, with the deteriorating Middle East situation fanning speculative interest. Mitsubishi Metal edged Y21 higher at Y569 and Sumitomo Metal Mining Y30 up at Y570.

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Advertisement for NORTHWESTERN UNIVERSITY Kellogg Graduate School of Management, 1984 Management Development Programs. Includes dates for various programs and contact information for J.L. Kellogg Graduate School of Management.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized by sector (e.g., Technology, Finance, Energy). Columns include stock name, price, and change.

Continued on Page 25

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of American stock exchange closing prices, organized in columns by stock symbol and price. Includes various market indices and individual stock listings.

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized in columns by stock symbol and price. Includes various market indices and individual stock listings.

ENERGY REVIEW every Wednesday in the Financial Times

WORLD STOCK MARKETS

CANADA

Table of Canadian stock market closing prices for various companies like Alcan, Alcan Energy, Alcan Aluminum, etc.

DENMARK

Table of Danish stock market closing prices for companies like Aarhus Olie, Aalborg, Aalborg Portland, etc.

NETHERLANDS

Table of Dutch stock market closing prices for companies like ADF Holding, AEGON, Akzo, etc.

AUSTRALIA

Table of Australian stock market closing prices for companies like ANZ Group, BHP, BHP Billiton, etc.

JAPAN (continued)

Table of Japanese stock market closing prices for companies like Konishiroku, Kubota, Kyocera, etc.

OVER-THE-COUNTER

Table of over-the-counter stock market closing prices for various companies.

Nasdaq National Market

Table of Nasdaq National Market closing prices for various companies.

closing prices

Table of closing prices for various companies.

FRANCE

Table of French stock market closing prices for companies like Elf, Elf Aquitaine, Elf Indus, etc.

NORWAY

Table of Norwegian stock market closing prices for companies like Bergens Bank, Christiania BK, etc.

SPAIN

Table of Spanish stock market closing prices for companies like Banco Bilbao, Banco Central, etc.

HONG KONG

Table of Hong Kong stock market closing prices for companies like Bank East Asia, Bank of China, etc.

AUSTRIA

Table of Austrian stock market closing prices for companies like Creditanstalt, Erste Bank, etc.

GERMANY

Table of German stock market closing prices for companies like Allianz, BASF, Bayer, etc.

SWEDEN

Table of Swedish stock market closing prices for companies like AGA, Astra, Atlas, etc.

SWITZERLAND

Table of Swiss stock market closing prices for companies like Alusuisse, Bank Leu, etc.

INDONESIA

Table of Indonesian stock market closing prices for companies like Ajinomoto, Aneka, etc.

SOUTH AFRICA

Table of South African stock market closing prices for companies like Abersom, Anglo, etc.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Large table of American stock exchange closing prices for various companies like IBM, Microsoft, etc.

Indices

Table of various stock indices including Dow Jones, S&P 500, etc.

NEW YORK - DOW JONES

Table of Dow Jones index data for various sectors like Industrials, Transport, etc.

STANDARD AND POORS

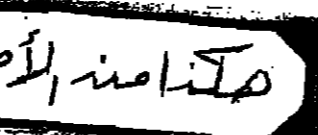
Table of Standard and Poors index data for various sectors.

U.S. BONDS - CLOSING VALUES

Table of U.S. bond closing values for various maturities.

WORLD ECONOMIC INDICATORS every Monday in the Financial Times

WORLD VALUE OF THE POUND every Tuesday in the Financial Times



Thursday March 1 1984
Financial Times Thursday March 1 1984
Prices
Account Dealing Dates
Option
First Declared Last Account
Dealings Close Dealings Day
Feb 12 Feb 23 Feb 24 Mar 5
Feb 27 Mar 8 Mar 9 Mar 19
Mar 12 Mar 22 Mar 23 Mar 29
Mar 30
New-time dealings may take
place from 9.30 am two business days
earlier.

MARKET REPORT

Revived hopes of lower interest rates reverse early fall in equity leaders

some closed with modest gains on balance. Lloyds finished 5 deater 11 508p, after 590p, and Barclays a shade firmer at 945p, after 338p. Midland, down to 355p initially, recovered to the overnight 369p, but NatWest finished 5 off at 735p, after 730p. Among Merchant banks, Bill Samuel encountered persistent small selling and dipped to 313p before settling a net 10 off at 318p.

At the first count of the day the FT Industrial Ordinary share index, which now includes Banks, Trust after its takeover of London Brick was down 5 points. Selective demand, however, for Electricals and particularly Philips following unconfirmed reports that the group had won a large U.S. contract, brought a reduction of the index loss. Other leading equities responded and a continuation of the upward movement throughout the afternoon left the index showing a gain on balance, but only of 0.7.

FT-ACTUARIES SHARE INDICES

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wed Feb 29 1984, Total Feb 28, and Year Ago (approx). Rows include CAP, BUILDING, ELECTRICAL, MECHANICAL, METALS, etc.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Feb 28, Feb 27, Feb 26, Feb 25, Feb 24, Feb 23, Feb 22, Feb 21, Feb 20, Feb 19, Feb 18, Feb 17, Feb 16, Feb 15, Feb 14, Feb 13, Feb 12, Feb 11, Feb 10, Feb 9, Feb 8, Feb 7, Feb 6, Feb 5, Feb 4, Feb 3, Feb 2, Feb 1, Year Ago.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index Name, High, Low, Daily Change, and % Change. Rows include Govt. Sec., Fixed Int., Ind. Ord., and Gold Mines.

soon picked up and usually showed modest gains on the day. Beecham, helped by late support closed 10 higher at 320p. Late support lifted Horizon Travel 7 to 175p; the preliminary results are due on March 14.

Tricentral firm Leading Oils were marked down at the outset, but rallied sharply around midday on concern over the worsening conflict in the Middle East.

Johnson Mattheys down 2 at 280p, turned easier following the third-quarter figures and news that restructuring costs are not likely to exceed the £50m maximum estimated last November.

Australians weak A sharp reduction in the volume of business in recently volatile South African issues left Australians holding centre stage in mining markets.

MONTHLY AVERAGES OF STOCK INDICES

Table with columns: Index Name, Feb, Jan, Dec, Nov. Rows include Financial Times, Government Securities, Industrial Ordinary, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Option Name, Vol., Last, Bid, Ask, Stock. Rows include GOLD, SILVER, AMRO, AKZO, etc.

RECENT ISSUES

EQUITIES

Table with columns: Issue Name, Amount, Price, etc. Rows include Aberfoyle Plants, Brinton, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Name, Amount, Price, etc. Rows include 87.918 2.5, 87.918 2.5, etc.

"RIGHTS" OFFERS

Table with columns: Issue Name, Amount, Price, etc. Rows include 87.918 2.5, 87.918 2.5, etc.

FTSE 100 INDEX

Table with columns: Index Name, Value, Change. Rows include FTSE 100, FTSE 100, etc.

NEW HIGHS AND LOWS FOR 1983/84

Table with columns: Index Name, High, Low. Rows include 87.918 2.5, 87.918 2.5, etc.

ACTIVE STOCKS

Table with columns: Stock Name, Change, Day's Change. Rows include 87.918 2.5, 87.918 2.5, etc.

RISES AND FALLS YESTERDAY

Table with columns: Stock Name, Rise, Fall. Rows include 87.918 2.5, 87.918 2.5, etc.

LONDON TRADED OPTIONS

Table with columns: Option Name, Calls, Puts, etc. Rows include LASHO, LASHO, etc.

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EQUITIES

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FTSE 100: High and low record, base date, values and constituent changes are published in Saturday Issues. A new list of constituents is available from the Publishers, The Financial Times, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, BP, and various engineering firms with columns for stock price, price change, and volume.

LEISURE—Continued

Table of leisure stocks including companies like B&W, Leisure, and various entertainment firms.

PROPERTY—Continued

Table of property stocks including companies like British Land, Property, and various real estate firms.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like F&C, Investment, and various asset management firms.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like BP, Shell, and various energy firms.

SATAMA BANK logo and contact information: INTERNATIONAL BANKING HEADQUARTERS, Tel. TOKYO 03 2111211, London Branch: Tel. 011 249 9421.

MINES—continued

Table of mining stocks including companies like Anglo American, De Beers, and various metal miners.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like BSA, Triumph, and various vehicle manufacturers.

SHIPPING

Table of shipping stocks including companies like P&O, Cunard, and various maritime firms.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Clarks, and various footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo, and various local firms.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including companies like News, and various media firms.

TEXTILES

Table of textile stocks including companies like J. & F., and various fabric manufacturers.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint, and various media firms.

TOBACCO

Table of tobacco stocks including companies like British American, and various tobacco firms.

Finance, Land, etc.

Table of finance, land, and other stocks including companies like Finance, and various investment firms.

PROPERTY

Table of property stocks (repeated section).

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks (repeated section).

INSURANCE

Table of insurance stocks including companies like Prudential, and various insurance firms.

LEISURE

Table of leisure stocks (repeated section).

OIL AND GAS

Table of oil and gas stocks (repeated section).

Diamond and Platinum

Table of diamond and platinum stocks including companies like De Beers, and various gemstone firms.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks including companies from various countries.

OPTIONS

Table of options including 3-month call rates for various currencies.

Central African

Table of Central African stocks including companies from the region.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mngs., Abbey Unit Tr. Mngs. (a), Abbey Unit Tr. Mngs. (b), etc., with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts like Crown Unit Tr. Services Ltd., Edinburgh Unit Tr. Mngs. Ltd., etc., with columns for name, manager, and performance data.

Table titled 'Insurances - continued' listing various insurance companies and their details.

Table listing financial data for various companies, including names like 'Continental Life Assurance PLC' and 'Crown Life Assurance'.

Table listing financial data for various companies, including names like 'Kleinwort Benson Unit Managers' and 'Lloyds Bank Group U.T. Mngs. Ltd.'.

Table listing financial data for various companies, including names like 'M&G Group (UK) Ltd.' and 'Nelson's Life Unit Tr. Mngs. Ltd.'.

Table listing financial data for various companies, including names like 'Royal London Unit Tr. Mngs. Ltd.' and 'Scottish Widows'.

Table listing financial data for various companies, including names like 'Tyrnall-Guardian Management Ltd' and 'Windsor Unit Tr. Mngs. Ltd.'.

OVER-THE-COUNTER - Nasdaq National Market

Table listing Nasdaq National Market data, including columns for stock name, sales, high, low, last, and change.

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Money Market Bank Accounts

Table listing Money Market Bank Accounts, including columns for bank name, account type, and interest rate.

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INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including company names, fund names, and numerical values.

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OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including company names, fund names, and numerical values.

NOTES section at the bottom right of the page, providing additional information or disclaimers.

COMMODITIES AND AGRICULTURE

Rise in S. African gold output forecast

By Bernard Simon in Johannesburg
SOUTH AFRICA'S gold output will rise to a peak of 720 tonnes a year by the end of the decade even if no new mines are commissioned in the meantime...

Sugar prices fall to 10-month low

BY OUR COMMODITIES EDITOR
WORLD SUGAR prices on the London terminal market slumped again yesterday to the lowest level since April last year...

Cocoa futures slide by £26

By Our Commodities Staff
THE COCOA price slide continued on the London futures market yesterday with the May quotation falling to £40 per metric tonne...

Bulking up the potato price support system

John Edwards reports on a plan to end deficiency payments

THE GOVERNMENT yesterday gave its formal blessing to the proposed scheme which changes the way in which potato prices are to be controlled in Britain from 1985...

In addition to the financial arrangements, the board wants the Government to investigate the case for including imports within the scope of domestic UK quality grading standards...

Hill farm subsidy extended

BY OUR COMMODITIES STAFF
SPECIAL EEC subsidies to another 28,000 UK livestock farmers were agreed at the meeting of Common Market Agriculture Ministers in Brussels...

At the same time, the market has changed in other ways. The EEC meant that in 1979 it was forced to relax its previous ban on imports of ware (main crop) potatoes from other members of the Community...

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PRICE CHANGES

Table with columns: In tonnes unless stated otherwise, Feb. 29 1984, + or - Month ago, Feb. 29 1984, + or - Month ago. Rows include Metals, Wheat, Corn, etc.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Unit, Price. Rows include Base Metals, Silver, Copper, Tin, Lead, Zinc, Aluminium, etc.

AMERICAN MARKETS

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, etc.

NEW YORK

Table with columns: Commodity, Unit, Price. Rows include Wheat, Corn, Soybeans, etc.

LONDON OIL

Table with columns: Crude Oil, Price. Rows include Brent, WTI, etc.

CRUDE OIL FUTURES

Table with columns: Month, Year/day's + or - Business Done, U.S. per barrel. Rows include March, April, May, etc.

SPOT PRICES

Table with columns: Commodity, Price. Rows include Arabian Light, Naphtha, etc.

GAS OIL FUTURES

Table with columns: Month, Year/day's + or - Business Done, U.S. per tonne. Rows include March, April, May, etc.

PRODUCE - North West Europe

Table with columns: Commodity, Price. Rows include Premium gasoline, Gas oil, etc.

TIN

Table with columns: Month, Year/day's + or - Business Done, U.S. per cwt. Rows include March, April, May, etc.

GOLD MARKETS

Gold fell \$3 1/2 an oz from Tuesday's close in the London bullion market to finish at \$394.39...

LONDON FUTURES

Table with columns: Month, Year/day's + or - Business Done, U.S. per cwt. Rows include March, April, May, etc.

COCAO

The market opened weaker than it was due to commission house liquidation, reaching 11-month lows...

INDICES

Table with columns: Index Name, Value. Rows include Financial Times, Reuters, etc.

EUROPEAN MARKETS

Wheat - U.S. \$ per tonne: U.S. Two Soft Red Winter Wheat 150, April 151, May 152, June 153...

ALUMINIUM

Table with columns: Month, Year/day's + or - Business Done, U.S. per tonne. Rows include March, April, May, etc.

WHEAT

Table with columns: Month, Year/day's + or - Business Done, U.S. per cwt. Rows include March, April, May, etc.

WOOL FUTURES

Table with columns: Month, Year/day's + or - Business Done, U.S. per lb. Rows include March, April, May, etc.

NICKEL

Table with columns: Month, Year/day's + or - Business Done, U.S. per cwt. Rows include March, April, May, etc.

POTATOES

Prices eased lower throughout the day to close around the lows, reports Coley and Harper.

HIDES

HIDES - Manchester, Leeds (Birmingham) - Record close at 31.85 kg, 113.7g a kg, 113.7g (109.1g); 26.30 kg, 128.3g a kg, 128.3g (123.8g); 22.50 kg, 136.0g a kg, 136.0g (131.3g).

SOYBEAN MEAL

Table with columns: Month, Year/day's + or - Business Done, U.S. per tonne. Rows include March, April, May, etc.

SOYBEAN

U.S. \$ per bushel: U.S. Soybean 18.50, Canadian Old Western Amber Durum April/May 200, June 201, Nov 197.50.

WHEAT

U.S. \$ per tonne: U.S. Two Soft Red Winter Wheat 150, April 151, May 152, June 153.

WHEAT

U.S. \$ per cwt: U.S. Hard Red Winter Wheat 1.50, Soft Red Winter Wheat 1.45.

WHEAT

U.S. \$ per bushel: U.S. Hard Red Winter Wheat 1.50, Soft Red Winter Wheat 1.45.

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar continues to fall

The dollar maintained a downward trend on the foreign exchange market yesterday after the U.S. January trade deficit widened to a record \$3.47bn from \$4.4bn in December.

The market was buoyed by a report from the region of \$7bn to \$8bn, but was also buoyed by the rise of 1.1 per cent in January leading indicators as confirmation of fast U.S. economic growth at the beginning of the year.

Recent economic figures have pointed to a fast expanding but volatile economy, and the fear of overheating and rising inflation is outweighing indications that interest rates will remain firm in the near future.

FINANCIAL FUTURES

Eurodollars firmer

Euro-dollar prices showed a small improvement in the London International Financial Futures Exchange yesterday. Early trading failed to reflect the rather bullish trend seen in the U.S. on Tuesday and there appeared to be little incentive to sell.

Consequently prices picked up later in the day and reached the day's high on U.S. buying. Values were marked down later but finished above the day's lows.

The March price opened at 89.95 up from 89.53 and touched a high of 90.23 before coming back to finish at 89.97. Volume in all contracts was comparatively low with most of the day's business involving a switch from March into June.

At yesterday's fixing the dollar rose to BFR 53.2650 from BFR 53.2075 while the sterling slipped to BFR 79.43 from BFR 79.57.

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EMS EUROPEAN CURRENCY UNIT RATES table with columns for Country, Currency, Rate, % change.

THE POUND SPOT AND FORWARD table with columns for Date, Price, % Three p.a.

THE DOLLAR SPOT AND FORWARD table with columns for Date, Price, % Three p.a.

CURRENCY MOVEMENTS table with columns for Date, Price, % Three p.a.

CURRENCY RATES table with columns for Date, Price, % Three p.a.

EXCHANGE CROSS-RATES table with columns for Country, Rate.

EURO-CURRENCY INTEREST RATES table with columns for Term, Rate.

MONEY MARKETS table with columns for Term, Rate.

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INTERNATIONAL CAPITAL MARKETS

S & L taps Eurobond market for \$100m

BY MARY ANN SIEGHART IN LONDON

TUESDAY'S glut of new issues in the Eurodollar bond market was still hanging over the market yesterday, and left room for only one dollar bond to be launched.

Great Western Financial, the U.S. savings and loan institution, is raising \$100m through a 10-year floating rate note paying 1/4 per cent over the six-month London interbank offered rate (Libor) at par. Led by Credit Suisse First Boston, the note is redeemable by the investor after five and seven years.

It pays total fees to managers of 1/4 per cent, which makes the all-in cost to the borrower on a compounded basis of 0.41 per cent over Libor, a relatively high margin compared to recent issues which have come on water-tight terms. The issue traded within its selling concession at a discount of about 1.20 per cent.

The dollar secondary market had a day of consolidation after sharp price falls on Tuesday. Dealers covering their short positions pushed prices up by about 1/2 point, but turnover was low.

Société Nationale des Chemins de Fer, the French state railway agency, is taking advantage of a strong Eurodollar market to raise \$50m through a 10-year bond led by Morgan Grenfell. The bond has an 1 1/4 per cent coupon at par terms

which ended up slightly aggressive because the mandate was won through a competitive bid. The issue traded at a 2-point discount within its total fees, but outside the selling concession.

South Africa has tapped the Eurobond market in its own name for the first time since 1980, with an Ecu 40m bond led by Credit Commercial de France, Kredietbank Luxembourg and Banque Internationale à Luxembourg. The 15-year issue - its first in the Ecu sector - has an 1 1/4 per cent coupon at par, but its redemption options for investors every five years at which time the coupon too, can be changed by the borrower. It traded at a 1/4 per cent discount.

Meanwhile, ENHER, the Spanish electricity company, is raising SwFr 50m through a private placement paying 8/4 per cent at par. The life of the bond, led by SBC, is 5 1/2 years.

Tuesday's DM 100m bond for Ferruccio dello Stato - the Italian railways - has been well received, trading at around its issue price. Today should see the announcement of the new issue calendar for March.

Prices of secondary market D-Mark bonds rose by about 1/4 point due to a firm market in New York and a strengthening D-Mark. Swiss prices closed unchanged to slightly lower in quiet trading.

Costa Rica loan test for BIS

By Our Euromarkets Correspondent

COSTA RICA has told its international bank creditors that it intends to seek a \$50m loan from the Bank for International Settlements to offset a squeeze on its foreign exchange cash flow expected in the next three months.

Though small, the loan request will prove a test of the willingness of the Basel-based "central bankers' bank" to support developing country debtors. The bank has been trying to extricate itself from the business of providing bridging finance after arranging several loans to debtor countries since the Mexican crisis broke in 1982.

Costa Rica says it faces temporary cashflow problems because of delays in reaching agreement with the International Monetary Fund on its 1984 economic programme. These are likely to be exacerbated by changes in the procedures for disbursing U.S. aid.

Table with columns: BHF Bank bond average, Feb 29 1983-84, Previous 1982-83, High, Low, 102.017, 97.699

Aerospatiale issues FF 1.2bn bond

By DAVID MARSH IN PARIS

AEROSPATIALE, the French state-owned aerospace group, is launching a FF 1.2bn (\$148m) domestic bond issue to help to finance a heavy programme of investments in aircraft, helicopters and weaponry planned for the next few years.

The new borrowing, planned for next week, comes less than six months after the group's last foray on the Paris capital market, for FF 600m last September.

Aerospatiale, which has been hit by the simultaneous decline in civil and military aerospace markets in the past year, is thought to have roughly broken even last year, con-

tinuing the deterioration from net profits of FF 96.2m in 1982 and FF 158.6m in 1981.

One of the reasons for the early return to the bond market is the slackening of new orders in the last two years, which has limited the amount of cash available for capital investment.

The company's published debts for 1982 increased about five-fold during the year to stand at about FF 3bn by end December.

Depressed results for Libra

By PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PRE-TAX profits at Libra Bank, the London-based consortium bank, fell 18.7 per cent to £31.2m (\$45.5m) last year as a result of an increase in non-performing loans and higher provisions.

The bank, which specialises in Latin America, traditionally adopts a policy of placing loans on a non-accrual basis as soon as interest is late. This means its non-performing loans are higher than those of most other banks which adopt a less conservative formula.

Last year shareholders capitalised £33.7m of retained earnings, bringing the bank's paid up capital to £50m.

It is to pay a dividend of £1.5m but will still retain earnings of £12.4m from last year's net profits. This will increase capital and reserves to £71.6m from £55.3m.

Assets grew 26.2 per cent to £1.7bn, partly reflecting the fall of sterling against the dollar.

The bank is to open an agency in New York.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 29.

Large table listing various international bond issues with columns for country, issue name, amount, yield, and price.

NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD. 5% CONVERTIBLE DEBENTURES DUE AUGUST 31, 1986. Pursuant to Section 3.04(i) of the Company's... The Company has made a free distribution of shares of its Common Stock to shareholders of record as of February 29, 1984...

NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD. 6% PER CENT CURRENCY LINKED/ U.S. DOLLAR PAYABLE CONVERTIBLE BONDS DUE 1991. Pursuant to Condition 9(C)(ii) of the Terms and Conditions under which the above-mentioned Bonds were issued, notice is hereby given as follows: 1. The Company has made a free distribution of shares of its Common Stock to shareholders of record as of February 29, 1984...

NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD. 7.3 PER CENT CONVERTIBLE BONDS DUE 1990. Pursuant to Condition 9(C)(iii) of the Terms and Conditions under which the above-mentioned Bonds were issued, notice is hereby given as follows: 1. The Company has made a free distribution of shares of its Common Stock to shareholders of record as of February 29, 1984...

Commercial Paper Program advertisement for PK Bank North America, Inc. Includes PK Bank logo and contact information for Lehman Commercial Paper and Lehman Brothers Kuhn Loeb.

BARCLAYS BANK INTERNATIONAL LIMITED 9 3/4% Capital Notes 1985. NOTICE IS HEREBY GIVEN that, in satisfaction of the obligations imposed by Condition 5(a) of the Terms and Conditions applicable to the Notes, the Notes of US\$10,000 each bearing the serial numbers listed below have been drawn in manner approved by the Trustee for redemption on 1st April, 1984 at their principal amount. Each number bears the prefix "N"

Large table of serial numbers for Barclays Bank International Limited 9 3/4% Capital Notes 1985, organized in columns.

Notes not listed above are not affected by this redemption. Notes drawn for redemption will become due and payable on 1st April, 1984. Payment of the Notes drawn will be made upon presentation and surrender of such Notes with Coupon No. 9 attached at the office of one of the Paying Agents or at the holders' option at Barclays Bank PLC, Securities Services Department, 84 Lombard Street, London E.C.3. Coupon No. 8 (due 1st April, 1984) should be detached and encashed in the usual manner.

Interest on the Notes drawn will cease on and after 1st April, 1984. BARCLAYS BANK INTERNATIONAL LIMITED March, 1984

Handwritten signature or stamp at the bottom center of the page.